

Draft

**BOARD OF COMMISSIONERS
WORK SESSION** November 29, 2017
CAROLINA

**ALEXANDER COUNTY
STATE OF NORTH**

PRESENT: Milton H. Campbell, Chairman
Ronnie Reese, Vice-Chairman
Ryan Mayberry

STAFF: Rick French, County Manager
Jamie Starnes, Clerk to the Board

The Alexander County Board of Commissioners held a work session on Wednesday, November 29, 2017 at the CVCC / Alexander Center in Room 103, Taylorsville, North Carolina to discuss several ongoing and upcoming issues with NC Senator Andy Wells and Representative Lee Zachary before the 2018 short session of the General Assembly. Representative Zachary did not attend.

PARTF PROJECTS

Rick French, County Manager, mentioned the County's plans to apply for PARTF funding for two possible projects – construction of additional ball fields and trails at Dusty Ridge Park and development of Wittenburg Access to be similar in nature to Dusty Ridge. The grant application deadline is May 2018.

Staff was recently informed by a contact at the NC Department of Parks and Recreation that Duke leases (Dusty Ridge) were not eligible to be used as grant matches as hoped due to regulatory requirements for Duke's FERC license. Therefore, the County will be required to provide a dollar for dollar match if awarded any PARTF grants (up to \$500,000 maximum).

LOTTERY FUNDING & DISTRIBUTION

Senator Wells discussed ongoing efforts by NC school systems to have the statutorily authorized appropriation of lottery funds restored. He provided 10 years of data related to lottery funding for Alexander County including the amount received for school capital compared to the estimated amount under the original lottery legislation; however, he explained that lottery funds were appropriated by the General Assembly for a variety of educational purposes such as non-instructional support, pre-k, class size reduction efforts, etc. and that funding had constantly shifted by line item and purpose. When considering all line items of lottery funding, the

Alexander County School System received \$1,956,875 for FY 2017, an increase of \$1.1 million since FY 2007 (see attached).

Senator Wells felt per pupil funding of similar counties was an accurate point of comparison and suggested compiling ALL sources of school system funding (federal, state, lottery, sales tax, low wealth, county, etc.) to make that determination.

FUTURE OF ARTICLE 44-524 SALES TAX

Due to growing concern that the sales tax reallocation of Article 44 that took effect July 1, 2016 may be reverted, Senator Wells reassured the Board that the General Assembly was continually working to change things for the better, noting that the statewide redistribution of sales tax revenues was only one step in that process; therefore, he did not anticipate the issue to be revisited.

NEEDED UPDATES TO HIGHWAY 16 SOUTH

Commissioner Mayberry discussed the need to widen Highway 16 South in Taylorsville to 4 lanes, especially when considering the increasing industrial presence in Alexander County. Senator Wells advised that the General Assembly no longer used highway funds to subsidize the State General Fund which had resulted in lots of upgrades and highway projects. He felt the upcoming widening of the 7-mile portion of Highway 16 in Newton could possibly have an impact on considerations to widen the remainder of Highway 16 into Taylorsville; however, he noted that traffic counts also played a large part in NCDOT's decision to move forward with any project.

HIGHWAY 127 PAVING & BRIDGE REPLACEMENT PROJECT

Senator Wells stated that the widening of Highway 127 to 4 lanes and the bridge replacement was another project moved up on the schedule as a result of the reallocation of highway funds. It was noted that Alexander County would be responsible for 20% of the costs to relocate utilities, including a water line under the Highway 127 bridge. Senator Wells encouraged staff to keep in contact with Jon Marshall at the WPCOG regarding this and other road projects.

NCDOT REGULATIONS

Commissioner Mayberry mentioned numerous calls received from citizens who live on unpaved roads not maintained by the State to which Senator Wells agreed was a statewide problem and his top complaint. Commissioner Mayberry explained that N.C.G.S. 153A-205 allows counties to bring roads up to standard to be taken into the State system by implementing assessment taxes to property owners along said road to pay for those repairs and updates. The process begins with a petition from 75% of the property owners who also represent 75% of linear road frontage;

however, NCDOT requires ALL property owners to agree to providing right-of-way and if one declines, the process is dead, making this option impossible to pursue.

To address future issues, Senator Wells suggested a standard road maintenance agreement, possibly drafted by the NCACC, be used by all counties when subdivisions are platted. In regard to older roads in existence before zoning measures, he felt a coalition of small, rural counties lobbying the General Assembly for options and regulation changes may be well received.

ADDITIONAL COMMENTS

Senator Wells urged the Board to investigate current tax exemptions for uses such as solar farms, rock quarries, data centers, etc., noting that counties were under taxing a large majority of their property. Using solar farms as an example, he felt a land use should change to industrial once those panels were installed and also taxed as such instead of allowing it to remain listed as farm land.

ADJOURNMENT

There being no further business, Commissioner Mayberry made a motion to adjourn at 7:03 PM. Vice-Chairman Reese seconded the motion, which passed unanimously.

Milton H. Campbell, Chairman

Jamie M. Starnes, Clerk to the Board

Assuming the Alexander County Commissioners are primarily talking about the lottery funding that would have been provided to the counties under the old statutory allocation of lottery proceeds, please see the table below:

Alexander School Capital - Lottery		
Year	Amount Received	Estimated Amount Under Original Lottery Legislation*
FY 2006-07	\$347,154	\$345,051
FY 2007-08	\$362,131	\$362,139
FY 2008-09	\$636,503	\$647,125
FY 2009-10	\$701,101	\$656,775
FY 2010-11	\$386,206	\$661,455
FY 2011-12	\$408,993	\$748,261
FY 2012-13	\$372,309	\$705,143
FY 2013-14	\$363,474	\$700,535
FY 2014-15	\$359,197	\$839,997
FY 2015-16	\$349,171	\$740,106
FY 2016-17	\$338,112	\$800,262

* Estimates derived by multiplying lottery funding amount received by Alexander County for school capital by (Statutory % of Lottery Proceeds for school capital (40%)/Actual Appropriated % of Lottery Proceeds for school capital).

However, lottery funds are appropriated by the General Assembly for a variety of educational purposes, and if the Commissioners are interested in seeing the total lottery funds spent in the county, the table below may be more useful:

County	Lottery Programs	Fiscal Yr(s)										
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Alexander County	Class Size Reduction Expenditures (\$)	\$316,501	\$357,253	\$427,985	\$380,625	\$753,056	\$819,991	\$783,980	\$763,202	\$888,214	\$0	\$0
	Teacher Assistants	--	--	--	--	--	--	--	--	\$394,291	\$0	\$0
	School Capital	\$347,154	\$362,131	\$636,503	\$701,101	\$386,206	\$408,993	\$372,309	\$363,474	\$359,197	\$349,171	\$338,112
	Non-Instructional Support Expenditures (\$)	--	--	--	--	--	--	--	--	--	\$1,044,849	\$1,203,974
	LEA Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$59,910	\$0	\$0	\$0	\$0
	Digital Learning	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,166	\$0	\$0	\$0
	Lottery Scholarships Expenditures (\$)	\$0	\$141,720	\$165,826	\$170,090	\$153,611	\$146,539	\$111,617	\$146,600	\$109,450	\$96,088	\$133,631
	UNC Need-Based Aid Expenditures (\$)	\$0	\$0	\$0	\$0	\$86,383	\$36,602	\$123,923	\$27,645	\$27,388	\$26,161	\$29,601
	Pre-K Expenditures (\$)	\$156,716	\$312,772	\$307,252	\$298,942	\$285,271	\$215,699	\$196,120	\$227,309	\$236,695	\$252,811	\$251,557
	Total Lottery Funding	\$820,371	\$1,173,876	\$1,537,566	\$1,550,758	\$1,664,586	\$1,627,824	\$1,647,859	\$1,548,396	\$2,015,235	\$1,769,080	\$1,956,875

Below is the sales tax data over the past 3 fiscal years for both Alexander County and Taylorsville.

By far the largest cause of the 26% growth in FY 2016-17 was the enactment of [G.S. 105-524](#), which redistributes approximately \$90 million of sales tax from all 100 counties to 79 counties, including Alexander County. The General Assembly enacted G.S. 105-524 in 2015 via [S.L. 2015-268, Sec. 32.19, 2015 Appropriations Act](#). The redistribution became effective July 1, 2016.

	FY 2014-15	FY 2015-16	FY 2016-17
Alexander County	5,448,174	5,795,032	7,331,928
<u>Taylorsville</u>	<u>439,646</u>	<u>467,524</u>	<u>562,643</u>
Total	5,887,820	6,262,556	7,894,571
Growth over prior year:		6.4%	26.1%