

Draft

BOARD OF COMMISSIONERS
REGULAR MEETING May 20, 2019

ALEXANDER COUNTY
STATE OF NORTH CAROLINA

PRESENT: Dr. Jeff Peal, Chairman
 Ronnie Reese, Vice-Chairman
 Ryan Mayberry
 Marty Pennell
 Larry Yoder

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

The Alexander County Board of Commissioners held a regular meeting on Monday, May 20, 2019 in Room 103 of the CVCC / Alexander Center in Taylorsville, North Carolina.

CALL TO ORDER

Chairman Peal called the meeting to order at 6:00 PM.

INVOCATION & PLEDGE OF ALLEGIANCE

Commissioner Yoder gave the invocation and Chairman Peal led the Pledge of Allegiance to the Flag.

COMMISSIONER'S REPORT

Vice-Chairman Reese, who attended the Borealis Compounds, Inc. Ribbon Cutting Ceremony on May 16th along with several other commissioners and County staff, felt this industry had placed Alexander County in a worldwide market. Chairman Peal and Commissioner Yoder also spoke in regards to the contribution made to Alexander County by Borealis Compounds.

Chairman Peal stated that the Board was doing its best to manage the citizen's money wisely within the 2019-2020 budget, noting that lack of additional revenue limited the Board's flexibility with appropriations. He also advised that the Finance Committee met with the School System Budget Committee earlier today to discuss their budget request and plans for the future, which he felt was a very productive meeting and solidified efforts to work together.

ADOPTION OF AGENDA

Chairman Peal requested the addition of a proclamation recognizing the NAACP Unit #5361.

Commissioner Yoder made a motion to adopt the agenda as amended. Vice-Chairman Reese seconded the motion, which passed unanimously.

BUILDING CODE ENFORCEMENT ISO RATING

Bill Rogers, Chief Code Enforcement Officer, reported that the Building Inspections Department was recently given an ISO rating of a 2 for commercial construction, up from a 4, noting that an exemplary rating was a 1. The residential rating remains at a 99S because Alexander County does not conduct residential plan review because it is not required by the State and would also create a significant time delay for contractors; however, this rating does not negatively affect the County.

Mr. Rogers thanked the many County departments who assisted in the preparation of the ISO evaluation.

Commissioner Mayberry thanked Mr. Rogers for his leadership in making the Building Inspections Department more efficient and customer friendly.

SOLID WASTE FRANCHISE AGREEMENT

Josh Mitchell, Solid Waste Director, discussed the upcoming renewal of the Solid Waste Management Agreement with Republic Services that includes transportation and disposal of waste from the County's transfer station, residential curbside pickup and recycling, and commercial waste hauling. Rates for residential and commercial services will include a 2% CPI increase; however, the CPI increase for transportation and disposal will be waived with renewal of the agreement that will be placed on the June 3rd agenda for consideration.

Chairman Peal thanked Mr. Mitchell for all he does for Alexander County. Commissioner Yoder conveyed his appreciation to the Solid Waste staff for keeping the landfill and convenience centers clean and presentable for the public.

2019-2020 ALEXANDER COUNTY PROPOSED BUDGET

Guy Kerley, Tax Administrator, gave an overview of tax values (property, personal, public utilities, and motor vehicles) for the last several budget years as well as projections for the upcoming budget year. He reported that growth remained steady at approximately 1% per year.

Rick French, County Manager, mentioned several completed, current, and upcoming projects including:

- Shurtape Job Retention Sewer Project
- Rocky Face Park Phase 2
- CVCC / Alexander Applied Technologies Center
- Evidence storage facility
- EnergyUnited Water Corp property transfer resulting in Library and Senior Center branches in Stony Point
- Alexander Services Center
- Stony Point Elementary School CDBG-I Sewer
- Industrial Park Pump Station Replacement
- Water System Extension
- Bethlehem Sewer Extension
- Broadband Project
- Upgrades to Dusty Ridge Park and Wittenburg Access
- Capacity issues at the Animal Shelter.

He also provided the following Budget Message for the 2019-2020 Alexander County proposed budget:

The proposed General Fund budget for Alexander County for fiscal year 2019-2020 totals \$41,422,990. There is no property tax increase included but there are proposed increases in all 8 fire tax districts as well as fee increases for building inspections, zoning, and fire inspections. Requests from County departments for the upcoming budget year totaled \$46,092,911. The original budget for 2018-2019 totaled \$41,200,000 and currently stands at \$43,244,491. There was also no property tax increase last year.

Water rates for the upcoming 2019-2020 budget will increase up to 3.75%. This is subject to approval by the Hickory City Council as a component of the comprehensive City of Hickory budget. As a practice, Alexander County has passed along City of Hickory increases. This year as we move forward with the Water System Extension Project, County staff is recommending a water connection (tap) reduction. Effective June 1, 2019, water connections will be reduced from \$1,143 to \$541. This reduction is not just for the project area – it will be for the entire County Water System with the exception of the Town of Taylorsville and EnergyUnited systems. All water connection fees paid on or after June 1, 2019 must connect to the County Water System. Water connections may not be purchased and held for future use. This special fee will expire at the end of December 2020. The purpose here is to increase the number of County Water System users. Alexander County currently has 5,300 water customers and our goal is to increase that number by 400 customers. This long awaited water project should begin in late summer.

The Bethlehem Sewer Extension Project should start later this year. In conjunction with this project, sewer rates will be increased by the City of Hickory from \$32.08 to \$33.31 or 3.75%. Alexander County currently receives \$5.00 per month per customer. The sewer rate structure is broken down into a volume charge, an availability charge, and the \$5.00 County charge. Representatives from both the County and the City of Hickory are meeting to develop a different breakdown. Alexander County has to receive more revenue in the 2019-2020 fiscal year.

The largest request for 2019-2020 comes from Alexander County Schools at \$7,860,798 or an increase of \$1,339,947 over the current year. The School System currently receives \$6,520,851 from the County who has appropriated more than \$1.5 million in additional funding to the School System since the 2012-2013 fiscal year. Currently there are no new funds recommended in the 2019-2020 budget; however, a meeting between the County and Schools Finance Committees is in the works to discuss a financial plan.

The second largest request for new funding comes from the Alexander County Sheriff's Office that also includes the Detention Center and 911 Communications (these departments report to the Sheriff). Current funding for these departments totals \$7,008,252 plus an additional \$831,483 for debt service payments for the Law Enforcement and Detention Center. The requested increase for 2019-2020 totals \$1,117,461 and includes a request for a 7.5% across the board salary increase for all employees (with another 7.5% to be requested in the 2020-2021 budget). The number one reason for this request is the high turnover rate in deputy and detention officer positions. To combat this problem, County Commissioners plan to set a new and much higher minimum pay for deputies (\$33,959 for deputies – up from \$31,534 and detention officers (\$30,014 – up from \$27,872). In addition, part-time pay will increase to \$14.08 up from \$11.82. These new minimum salaries were recommended by the Sheriff's Office. The 7.5% salary adjustment has not been included due to overall increases in the budget such as health insurance and retirement costs.

In addition to setting higher standards for minimum starting pay for deputies and detention officers, the increase in part-time pay to \$14.08 per hour is significant. Alexander County Commissioners will continue the vehicle replacement program that began several years ago by budgeting \$225,000. Another \$21,750 is budgeted for 15 tactical bulletproof vests for the SRT and \$6,650 for 10 standard bulletproof vests.

Last year, the Board approved funding to two volunteer fire departments for 4 full-time firefighter positions beginning in January 2019. This funding is now budgeted for a full year. Incentives to the volunteer fire departments and the Rescue Squad have also been increased, both programs costing \$147,000 per recommended budget. The value of volunteers is a tremendous asset in emergency services.

This year Alexander County worked closely with Duke Energy to renew the lease at Dusty Ridge Park. This property covers 78.96 acres. Currently, Dusty Ridge Park has 3 lighted ball fields, a concession building with bathrooms, playground equipment, nature trails, and a paved parking lot. The renewed lease adds soccer fields, multipurpose areas, new trails, and additional parking. Duke Energy will construct additional restrooms at this park in 2021. Maintenance of the park will be shared by Alexander County and the NC Wildlife Resource Commission. In addition to Dusty Ridge, the County also signed a long-term lease with Duke Energy for the Wittenburg Access area which covers 26 acres. This site contains boat ramps, fishing piers, trails, and paved parking. This new lease will create restrooms, picnic areas, extended nature trails, a swimming area, and additional parking. Alexander County will be responsible for constructing the trails and providing

additional parking in the 2019-2020 budget. Duke Energy will construct the other amenities in 2021. The County will also share in the maintenance of this park with the Wildlife Commission. These new parks, along with Rocky Face Park, will have a very positive economic impact on our county.

In the 2019-2020 budget year, the Recreation Department and park facilities will be combined for budgeting purposes. This budget will include \$150,000 for park improvements at Dusty Ridge and Wittenburg Access and another \$100,000 for utility pole replacements at East Park and Bethlehem Park. Also new and part of this budget is our new Courthouse Park. A park plan, restrooms, and the Rotary Stage will be part of our first phase. Having a plan will also make Alexander County eligible to apply for PARTF grant funds in 2020. We currently only have a Recreation Board. A new park ordinance with an advisory committee should be organized and approved in the upcoming budget year.

Ten full-time employees were requested for the 2019-2020 budget year by Information Technology, Sheriff's Office, Health Department, Human Resources, and the Library. Two of those positions are recommended including one full-time employee at the Health Department paid with a Duke Endowment Grant and another in Human Resources as part of the Consolidated Human Services reorganization. The County Engineer position in the current budget has not been included in the 2019-2020 budget. Engineering services will be contracted out.

It also needs to be noted that property valuations continue to decrease slightly in Alexander County. There is little to no growth which makes new revenues very minimal. Investments in water, sewer, broadband, and economic development will prove very wise in the near future.

The next step in our budget process is the public hearing scheduled for June 3, 2019 at 6:00 PM at the CVCC / Alexander Center.

Commissioner Yoder asked about continued funding for the new Health Department employee once the Duke Endowment Grant expired. Mr. French replied that generated revenues would cover most of those costs.

BOARD APPOINTMENTS & REAPPOINTMENTS

Rick French, County Manager, requested that Paulette Huffman and Genny Masters be appointed to the Council on Aging for 3 years.

Commissioner Yoder made a motion to approve the appointments. Commissioner Mayberry seconded the motion, which passed unanimously.

BUDGET ORDINANCE AMENDMENTS #49 - #51

Rick French, County Manager, reviewed the purpose of Budget Amendments #49 - #51 as follows:

Budget Amendment #49 – To increase the Public Buildings budget for estimated janitorial services needs and to increase the Garage budget for estimated fuel needs, both for the remainder of the 2018-2019 budget year.

Budget Amendment #50 – To increase the JCPC budget for additional discretionary funds awarded by the State for the Kids at Work Program.

Budget Amendment #51 – To adjust the Sheriff’s Office budget for estimated towing fees for the remainder of the 2018-2019 budget year.

Commissioner Yoder made a motion to approve Budget Amendments #49 - #51. Commissioner Mayberry seconded the motion, which passed unanimously.

OTHER BUSINESS

Rick French, County Manager, provided the Water System Extension Project schedule as follows:

- Advertise for bids on May 24th
- Bid opening on June 25th
- Award bids on July 22nd
- Begin construction mid to late September.

He added that construction would take approximately 10-12 months.

CONSENT AGENDA

- A. Minutes from the May 6, 2019 Regular Meeting.
- B. Tax Release Requests (\$1070.08) and Tax Refunds (\$1,242.65) for April 27 – May 10, 2019.
- C. Retention & Disposition Schedule request from Human Resources.
- D. JCPC Revised County Funding Plan for 2018-2019.
- E. JCPC Certification for 2019-2020.
- F. JCPC Annual Plan for 2019-2020.
- G. Request to surplus a 1998 Dodge Dakota, VIN #1B7FL26X2WS728692 with 118,795 miles.

Vice-Chairman Reese made a motion to approve the Consent Agenda. Commissioner Yoder seconded the motion, which passed unanimously.

CLOSED SESSION – N.C.G.S. 143-318.11(a)(5 & 6) CONTRACTUAL & PERSONNEL

Vice-Chairman Reese made a motion to enter into Closed Session at 6:55 PM to discuss contractual matters and personnel issues pursuant to N.C.G.S. 143-318.11(a)(5&6). Commissioner Yoder the motion, which passed unanimously.

ADJOURNMENT

There being no further business, Commissioner Mayberry made a motion to adjourn at 8:24 PM. Commissioner Pennell seconded the motion, which passed unanimously.

Jeffrey P. Peal, Chairman

Jamie M. Starnes, Clerk to the Board