

Draft

BOARD OF COMMISSIONERS
BUDGET WORK SESSION June 13, 2022

ALEXANDER COUNTY
STATE OF NORTH CAROLINA

PRESENT: Ronnie Reese, Chairman
 Marty Pennell, Vice-Chairman
 Kent Herman
 Josh Lail
 Larry Yoder

STAFF: Mark Earle, Fire Marshal / Deputy Emergency Management Coordinator
 Greg Foster, 911 Communications Director
 Rick French, County Manager
 Gary Herman, Public Information Officer
 Jennifer Herman, Finance Director
 David Moose, Compliance & Procurement Specialist
 Jamie Starnes, Clerk to the Board

VISITORS: Scotty Abernathy, Stony Point Fire Chief
 Matt Jordan, Taylorsville Fire Chief
 Ashley Starnes, Bethlehem Fire Chief

The Alexander County Board of Commissioners held a budget work session on Monday, June 13, 2022 in the Administration Building lower level conference room in Taylorsville, North Carolina.

CALL TO ORDER

Chairman Reese called the meeting to order at 5:00 PM.

INVOCATION & PLEDGE OF ALLEGIANCE

Chairman Reese gave the invocation and Commissioner Lail led the Pledge of Allegiance to the Flag.

FINANCIAL ASSISTANCE FOR FIRE DEPARTMENTS

Rick French, County Manager, advised that he had investigated a variety of scenarios to provide additional funding to all fire departments in Alexander County due to lack of volunteers able to respond and increasing operational costs. Options considered included fire tax increases, funding

based on each department's call volume, and a set annual appropriation. For the FY 2022-2023 budget, Mr. French proposed \$63,000 in County dollars be given to each of the 8 fire departments as a starting point, noting that he hoped to continue additional funding every year based on the departments' response area, number of calls, number of firefighters, etc.

In reference to sales tax revenue strictly for fire departments, staff has consulted the NC Association of County Commissioners on ways to enact a ¼-cent local sales tax. This legislation will hopefully be introduced this fall with consideration by the General Assembly during the long session in January 2023. Mr. French added that a local referendum would be necessary to pass the sales tax, which would generate approx. \$800,000 yearly.

Commissioner Yoder felt large urban counties that utilize the Article 43 sales tax for public transit would likely be opposed to counties that do not levy the transit tax having the ability to increase their Article 46 sales tax. One of NCACC's top 5 legislative goals is to support legislation allowing counties to specify on ballot referendums how proposed ¼-cent sales tax levies will be spent. He hoped rural counties would band together in their lobbying efforts to get this passed.

In response to a question by Mark Earle, Fire Marshal / Deputy Emergency Management Coordinator, Mr. French explained that revenue generated from this new sales tax, if approved, would fluctuate based on citizens' spending within the county. Matt Jordan, Taylorsville Fire Chief, expressed concerns with the ability to effectively budget for gear, fuel, and salaries without a hard number.

Several commissioners mentioned and discussed the 2023 revaluation that would generate additional revenue for fire departments through their fire tax. Mr. Jordan pointed out the substantial amount of tax-exempt property in the Town of Taylorsville and in conjunction, lost revenue for the fire department. Commissioner Lail felt this was typical throughout the entire county given the number of churches, timber tracts, and farmland acreage. Commissioner Herman agreed, stating that most of North Carolina was agricultural property.

The group discussed the latest price increases for standard equipment used by fire departments such as turnout gear (\$1,000 more than last year), fuel, and basic trucks (\$125,000 more than 10 years ago). Mr. Earle added that while 7 of our 8 departments received State grants last year to purchase turnout gear, only 4 were funded this year, a trend that may continue given the current economy.

Ashley Starnes, Bethlehem Fire Chief, mentioned difficulty with receiving grants since the most recent fire tax increase that resulted in approx. \$91,000 in additional revenue for his department. He felt the \$63,000 appropriation from the County could affect impact smaller departments in their grant efforts since many grants were based on the amount of county/city funding received. However, staff plans to review specific grant rules and consult with the County Attorney to determine if this appropriation would be considered the same as fire tax revenue.

Greg Foster, Communications Director, provided a spreadsheet that he and Mr. Earle created showing the monthly number of calls each fire department responded to over the last year as well as the estimated cost per call. He explained that the cost per call was not actual, but more so the

amount of funds available (based on funds received divided by the total number of calls dispatched to). Determining the actual amount would depend on the type of call, equipment used, distanced traveled, etc.

2022-2023 BUDGET DISCUSSION

Mr. French stated that the proposed FY 2022-2023 Alexander County budget totals \$53,653,167 and includes a 5% COLA for employees, a 3% water rate increase by the City of Hickory, several new or replacement vehicles (including a QRV for EMS), an ambulance remount, and improvements to Bethlehem Park. New amenities at Wittenburg Access will be completed in spring 2023, which will add to maintenance and grounds staff duties and require the hiring of lifeguards. He mentioned that the Board needed to revisit the tap fee incentive for water and sewer in the near future, noting that the County could not continue paying the difference indefinitely (user pays inside rate and County pays remainder).

Mr. French advised that, in order to prepare the budget ordinance for adoption on June 20, 2022, staff needed direction tonight on whether to include the proposed 4-cent tax decrease.

Chairman Reese was in favor of the tax decrease remaining in the budget.

Commissioner Herman felt it best to wait until after revaluation to consider reducing the tax rate. He was concerned that reducing it now would lead to the need for a tax increase later.

Commissioner Yoder agreed with Commissioner Herman, especially with the increasing cost of fuel and other supplies that could have a negative impact on the budget.

Commissioner Lail understood both arguments and was therefore undecided.

Vice-Chairman Pennell was in favor of waiting until revaluation was completed to determine the best course of action with the 2023-2024 budget process.

ADJOURNMENT

There being no further discussion, Chairman Reese made a motion to adjourn at 6:10 PM. Commissioner Yoder seconded the motion, which passed unanimously.

Ronnie L. Reese, Chairman

Jamie M. Starnes, Clerk to the Board