

Draft

BOARD OF COMMISSIONERS
REGULAR MEETING May 15, 2023

ALEXANDER COUNTY
STATE OF NORTH CAROLINA

PRESENT: Marty Pennell, Chairman
 Josh Lail, Vice-Chairman
 Kent Herman
 Ronnie Reese
 Larry Yoder (participated by conference call)

STAFF: Ben Faulkenberry, County Attorney
 Jamie Starnes, Clerk to the Board

The Alexander County Board of Commissioners held a regular meeting on Monday, May 15, 2023 in Room 103 of the CVCC / Alexander Center in Taylorsville, North Carolina.

CALL TO ORDER

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

INVOCATION & PLEDGE OF ALLEGIANCE

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

ADOPTION OF AGENDA

Vice-Chairman Lail made a motion to adopt the agenda as presented. Commissioner Herman seconded the motion, which passed unanimously.

PUBLIC HEARING: SPECIAL EVENTS ORDINANCE AMENDMENTS

Ben Faulkenberry, County Attorney, reviewed proposed amendments to the Alexander County Special Events Ordinance, which was adopted on December 2, 2019 with an effective date of January 1, 2020. The major focus of the changes related to expanding the special events permit requirement to include events held on private and commercial property with more than 500 participants. This would allow Alexander County officials and emergency personnel to coordinate with event holders to ensure all regulations and codes are met for the safety and welfare of citizens.

Other changes included updating of County personnel serving on the Special Events Committee as well as removing the ability to waive fees to ensure equal treatment to all event holders.

Mr. Faulkenberry explained that these changes, which are consistent with ordinances in other NC counties, would establish a more structured process for permitting and staging of events to provide adequate allocation of County resources, ensure liability control, and ease the burden on emergency services. As a matter of clarification, he advised that special event permits were not required for the following:

- Any local, state, or federal government agency acting within the scope of its governmental functions;
- Any school sponsored event happening on school-owned property where there is a safety and emergency plan in place;
- Church or worship activities happening on church-owned property;
- Properly permitted or grandfathered businesses holding events in spaces specifically designed for such events with capacities exceeding 500 people where there is a safety and emergency plan approved by the county; and
- An event of less than 500 people held on private residential property.

After a motion by Commissioner Reese, second by Commissioner Herman, and unanimous vote, the public hearing was called to order and comments requested. There being none, Commissioner Reese made a motion to close the public hearing. Vice-Chairman Lail seconded the motion, which passed unanimously.

Commissioner Reese made a motion to approve the proposed amendments to the Special Events Ordinance. Commissioner Herman seconded the motion, which passed unanimously.

2023 PERSONNEL POLICY REVISIONS

Sylvia Turnmire, Human Resources Director, provided updates to the Alexander County Personnel Policy that included minor revisions due to grammatical errors, to match what is currently in practice, or items missed in previous versions. Other revisions included:

- page 18 – Work Week: specifies the lunch break period.
- page 23 – Paid Holidays: removes the chart specifying days and refers to the state holiday schedule that the County has followed for many years.
- page 25 – Annual Leave Rates: rounds existing rates to be competitive with other entities and creates a 12-hour rate to acknowledge 12-hour shifts.
- page 34 – Leave Without Pay: places parameters on the ability to use LWOP.
- page 37 – Community Involvement Leave: revises leave to child and/or community involvement leave.
- page 42 – Rehiring: acknowledges previous service time in calculating the annual leave rate for rehired employees.

Ms. Turnmire reported that the Internal Management Team had accepted the changes and she requested approval with an effective date of July 1, 2023.

Several commissioners voiced concerns with acknowledging previous service time for rehired employees; however, after discussion, Commissioner Reese made a motion to approve the revisions to the Alexander County Personnel Policy. Chairman Pennell seconded the motion, which passed unanimously.

TELEWORK POLICY FOR DSS SUPERVISORS

Thomas Mitchell, DSS Director, recommended a Telework Policy that would allow DSS supervisors to work remotely one day each week. He explained that flexible working arrangements began for DSS staff during the COVID-19 pandemic in 2020, including supervisors; however, the Internal Management Team recently approved an official Flexible Work Arrangement Policy for DSS that excluded supervisors.

After providing a survey of teleworking practices in neighboring counties, he reviewed guidelines for the proposed policy to maintain communication, establish clear schedules, and ensure accessibility for team members during work hours, noting that this policy would provide for a work/life balance, promote trust, and make the agency competitive with other counties in recruitment efforts. In addition, many staff responsibilities are already handled remotely due to the nature of the job. He advised that, if approved, supervisors would rotate remote days so that a supervisor in each sub department would always be in the building.

Trinity Storie, CPS Investigator/Assessor, stated that allowing supervisors to work remotely one day each week provided a quiet setting to catch up on paperwork or complete other clerical responsibilities. She discussed the current structure for supervisor teams who would still be required to report to the office at any given time depending on the situation (such as an emergency removal, staying at DSS with a child without placement, etc.)

In response to a question asked by Vice-Chairman Lail, Mr. Mitchell explained that DSS employees at all levels were given flexibility with their schedules if they worked through the night, were called out during the weekend, etc.

Commissioner Herman felt DSS supervisors should be in the office every day and Commissioner Reese agreed. Commissioner Yoder supported a telework policy as long as it applied to all employees.

Vice-Chairman Lail made a motion to approve the proposed Telework Policy allowing DSS supervisors to work remotely one day per week with supervisors alternating days as discussed. Chairman Pennell seconded the motion. The Board voted two in favor of the motion (Commissioners Lail and Pennell) and 3 against (Commissioners Herman, Reese, and Yoder). The motion failed.

2023-2024 ALEXANDER COUNTY PROPOSED BUDGET MESSAGE

David Moose, Compliance & Procurement Specialist, provided the following Budget Message for the 2023-2024 Alexander County proposed budget:

Commissioners,

Please find attached the proposed budget for the fiscal year beginning July 1, 2023 and ending June 30, 2024 (FY 2023-24). The following budget message highlights some of the current and anticipated challenges facing Alexander County, as well as some significant projects and accomplishments which we hope to achieve in order to continue making Alexander County “a wonderful place to live, work, and play.”

The FY 2023-24 budget has been developed with a focus on achieving the goals, objectives, and strategic vision of the Board of County Commissioners, while maintaining an exceptional level of service provision to our citizens. In recent years, Alexander County has faced a number of significant challenges including the COVID-19 pandemic and resulting economic impact which we, along with our citizens, continue to experience even today. With the rising values of real property in Alexander County reflected in the most recent property revaluation cycle, coupled with recent inflation rates driving up the cost of goods and services for all, Alexander County is taking proactive steps to adjust its property tax rate to a level which seeks to balance the need for a fiscally-responsible level of funding for operations and service provision while minimizing the financial impact to its citizens as much as possible. These challenges are not unique to Alexander County as many areas surrounding us face the same or similar issues.

Proposed General Fund Budget & Revenue Neutral Tax Rate Disclosure Statement

General Fund budget requests for FY 2023-24 totaled \$60,746,018. After reviewing those requests and making necessary adjustments, the proposed General Fund budget for Alexander County for FY 2023-24 totals \$56,841,859. All funds in the budget are balanced. It is recommended to appropriate \$4,000,270 of fund balance in order to balance the General Fund Budget.

The FY 2023-24 operating budget follows the general reappraisal of real property for Alexander County. The revenue-neutral tax rate, as defined by G.S. 159-11(e), is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue for the current fiscal year if no reappraisal had occurred. The rate is then adjusted by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal.

The reappraisal produced a tax base of \$4,027,792,409 for Alexander County. The tax levy for the current FY 2022-23 is \$21,875,830, and the growth factor since the last general reappraisal is 1.43%. Using the formula mandated by state law, the revenue-neutral tax rate for Alexander County is 56.5 cents. The proposed property tax rate for FY 2023-24 is 67.0 cents, which represents a decrease from the property tax rate of 79.0 cents for FY 2022-23.

With inflation affecting the cost of nearly all commodities, this proposed rate reflects a reasonable compromise which is intended to help offset the impact of the recently completed property revaluation, while still allowing the County to maintain the current level of service provided to its citizens and continue along a path to be fiscally responsible in planning for future funding needs.

There are no proposed tax increases in the fire districts and no fee increases for building inspections or fire inspections. Although fire tax rates will remain unchanged, all fire districts will receive additional funding for FY 2023-24 generated by the recent property revaluation cycle. This additional funding will help offset rising costs of operation faced by each department and ensure they are able to provide vital fire protection and life safety services to the citizens of Alexander County.

Capital Outlay Requests

County departments requested \$2,645,536 in Capital Outlay expenditures for FY 2023-24. All requests were not able to be funded in this year's budget. In reviewing requests, an emphasis was placed on working to fund those items that were deemed critical to life safety, infrastructure maintenance, or continuity of operations for the County.

As part of the General Fund Budget, a number of capital expenditures totaling \$1,745,224 are recommended in the FY 2023-24 budget. This includes the following non-exhaustive list of items highlighting some of the recommended capital outlay expenditures:

Capital Outlay Item	Notes	Amount Funded
Funding for New Fire Training Center	<i>To be used by Fire Departments and Fire Academy for training exercises</i>	\$101,458
Sheriff's Office Vehicle Replacement	<i>Replaces (3) patrol cars & (1) K-9 SUV; cost includes equipment and vehicle</i>	\$290,000
County Vehicle Fleet Replacements	<i>Replaces six (6) vehicles in various departments</i>	\$264,678
HVAC System Updates for Courthouse	<i>Upgrades outdated HVAC controls that can no longer be repaired</i>	\$75,000
County Building Maintenance & Repairs	<i>Includes funding to repair parking area at Alexander Opportunities Building & new roof for County building in Stony Point</i>	\$110,000
Information Technology Network Security Enhancements and Equipment Replacement	<i>Includes critical upgrades and replacement of aging network equipment vital to the operation and security of the County's network infrastructure</i>	\$132,500
Type I Ambulance Purchase	<i>Adds one new Type I ambulance to increase the number of units available during emergencies – will allow aging unit to be reassigned as backup unit</i>	\$263,000

EMS Quick Response Vehicle	Adds (1) new QRV to provide additional coverage in Bethlehem area due to increased call volume for EMS	\$56,500
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Other requests that were not funded in the FY 2023-24 budget will be addressed in future budget cycles or as situations may arise which dictate a need for accelerated funding consideration.

County Projects

A number of major projects will begin during, or continue into the new budget year. These include water and sewer infrastructure improvements, a broadband internet expansion project partnership, economic development initiatives, and public park improvements. The following is a list highlighting some of these projects. Each project below is funded in part or in full by state or federal grants and represents an investment in the future of Alexander County. These projects are not included in the General Fund budget, but are accounted for in multi-year project budgets which span the life of the project rather than just a single fiscal year.

- *2021 ARP Water Line Extension Project* – A project to construct approximately 42,500 linear feet of water lines to extend public drinking water service to a number of areas around Alexander County where service has been previously requested.
- *GREAT Grant Partnership with Zirrus* – Alexander County is partnering with Yadkin Valley Telephone Membership Corporation (doing business as “Zirrus”) to provide matching funds for a broadband internet expansion project which will serve portions of eastern Alexander County around Hiddenite. The project is expected to serve more than 300 homes and businesses in the area by providing fiber-to-the-home for high-speed internet service. The matching funds are sourced from a portion of Alexander County’s Federal American Rescue Plan Act funding.
- *Bethlehem Water Tank Project* – A project to construct a new, elevated water storage tank to serve the Bethlehem Water District. The new tank will help address current and future demands placed on the system by growth in the area.
- *Alexander Industrial Park Shell Building Site Sewer Extension* – A project to extend sewer access to the new shell building site at the Alexander Industrial Park which is being marketed to attract new industry to Alexander County.
- *Bethlehem Park Improvements Project* – A project to provide upgrades to Bethlehem Community Park which includes the addition of new pickle ball courts, ballfield lighting upgrades, a new concession building with additional picnic shelter areas and handicap-accessible bathrooms, along with an accessible pathway to the lower ballfield and parking lot resurfacing.

- *Alexander Housing Our Teachers Project* – A project to renovate the former Chamber of Commerce Building (located at 16 West Main Avenue, Taylorsville) to include apartment space that will provide housing to attract new teachers to Alexander County. The renovation will also include commercial retail space on the street level and new tenant storage in the basement.

In addition to these current investments, Alexander County continues to make investments in other public areas as well. One such area that continues to see improvements is the County Parks Department. Courthouse Park, which opened May 15, 2022, has proven to be a tremendous asset to the community in its first year of operation. Having already hosted a number of large events for the community, even more activities, such as the Summer Concert Series, are planned for the 2023 operational season. The splash pad located at the park continues to provide fun and relief from the summer heat for area residents and visitors as well.

Wittenburg Access Park, which is slated to open later this year, is located on the grounds of the Wittenburg Access Area off Wildlife Access Road in the Bethlehem Community. The park will feature Alexander County's first public swim beach as well as new picnic shelters, bathrooms, a concession stand, and a new walking path along the peninsula for area residents and visitors to enjoy. These improvements, funded through a substantial investment by Duke Energy, will compliment a recent walking trail and new parking area constructed on the site by Alexander County. Alexander County will staff and operate the park during the operational season, which will run from Memorial Day to Labor Day once the park is officially opened.

Personnel Changes

A number of new positions, along with existing position reclassifications, were requested by various departments for the upcoming budget year. With the recent appointment of Shane Fox as the new County Manager, it is my recommendation to the Board of Commissioners that most of the new positions and existing position reclassifications be postponed until the new County Manager can evaluate those requests and make a recommendation to the Board.

The only personnel changes recommended for funding in the FY 2023-24 budget as an exception to this includes funding for new park attendants required to operate Wittenburg Access Park, four new Paramedic positions required in order to staff the EMS Quick Response Vehicle that will be stationed at the Bethlehem EMS base, and certain salary increases to a number of employees, which are required by Alexander County Personnel Policy guidelines.

During the current budget year, Alexander County was able to partner with Alexander County Schools to help hire and place School Resource Officers at all six elementary school campuses in the county. This was made possible through a grant obtained by the School System, which helped to fund these six positions, along with an additional position for Taylorsville Elementary School that is being provided by the Taylorsville Police Department. The addition of these officers helps to ensure the safety of staff and students

at all of the County's school campuses. These officers serve three roles in the school; law enforcement officer, law-related counselor, and law-related education teacher. Furthermore, they are able to build a rapport with students and serve as a positive role model and resource in their daily lives. The addition of these officers represents a long-term goal of both the School System and Alexander County finally coming to fruition.

School System Requests

Alexander County Schools submitted a total funding request for the 2023-2024 school year in the amount of \$9,211,130. This request represented an increase of \$1,893,702 over the prior year's request. This increase in funding was attributed to a number of factors including the need for replacement of funding for teaching positions lost due to decreased student enrollment numbers, an increase in retirement rate and health insurance employer costs, and a request for additional funding for the Virtual Academy program.

While it would be the desire of Alexander County to meet all requests for funding, fiscal constraints simply do not allow for that to happen. After reviewing the School System's request, it is recommended that funding in the amount of \$7,383,428 be appropriated from the Alexander County General Fund for Alexander County Schools in the FY 2023-24 budget. In addition to this funding, it is also recommended that \$332,717 be appropriated from the School Capital Improvements Fund to cover the local match required for the State Capital Grants received by the School System for capital improvements at Sugar Loaf Elementary School and Bethlehem Elementary School.

Utilities Rate Changes

The City of Hickory is proposing a 10% increase in its water volume rate and a 10% increase in the sewer volume rate for bulk sewer customers for FY 2023-24 effective July 1, 2023. This is subject to approval by the Hickory City Council as a component of the City's 2023-2024 budget. In a letter to Alexander County from City of Hickory Public Utilities Director, Shawn Pennell, the rate increases were attributed to inflation in chemical, electricity, personnel, equipment, and material costs.

With Alexander County facing a number of challenges this year, efforts have been made to present a budget that is as conservative as possible while still ensuring continued operation of all County functions and service delivery to all citizens. With a number of infrastructure investments on the horizon, I am optimistic that Alexander County will continue to grow in a positive direction. I am thankful for the efforts that staff have made toward keeping this year's budget requests aligned with the Board's priorities of presenting a fiscally sound and conservative operational and capital budget for the 2023-24 fiscal year.

The next step in our budget process will be the public hearing scheduled for June 5, 2023 at 6:00 pm at the CVCC Alexander Campus.

Commissioner Reese reported that for several months, efforts had been made to develop a conservative budget for FY 2024 while also funding departments as much as possible, which required many items and requests to be cut. He also stated that the County Commissioners could

not be expected to fill the School System's funding gap caused by loss of enrollment and suggested the Board of Education reduce its budget to match the amount of expected revenue.

Commissioner Herman agreed that the County could not cover every shortfalls and felt the School System should also address any issues that are causing enrollment to decrease. If that happens, he will support additional funding. In addition, he stated that the Board owed it to the taxpayers to make more cuts to the County budget.

Vice-Chairman Lail commented that this Board did not want to cost our citizens one cent more than necessary but explained that, because Alexander County was largely rural and without major retail stores, new car dealerships, etc., we must we must rely on property taxes as our main source of income. In regards to School System funding, he said he was a firm believer in public education; however, because the Commissioners expected fiscal responsibility from every County department or organization it supports, he suggested the School System implement the staff reductions recommended by the State for many years due to decreasing student enrollment. In addition, he felt a school might have to be closed at some point, noting that the taxpayers could not continue being called upon to support an excessive amount of employees.

Chairman Pennell expressed concerns with having to utilize over \$4 million of Fund Balance to balance the FY 2024 budget, noting that we could not continue pulling from our savings account to operate. He stated that being elected to this Board came with accountability to the citizens; therefore, he requested department heads, supervisors, etc., with knowledge of any areas that could be trimmed from the budget to bring those to the Board's attention.

BUDGET ORDINANCE AMENDMENTS #63 - #67

Jamie Starnes, Clerk to the Board, reviewed the purpose of Budget Amendments #63 - #67 as follows:

Budget Amendment #63 – To increase the Parks Department budget for the Rick French Memorial planned for Rocky Face Park.

Budget Amendment #64 – To increase the Senior Center budget for a Senior Medicare Patrol Project grant from SHIP to host an identity theft prevention shred-a-thon and fraud prevention event. The Contingency budget is being adjusted due to a previous line item transfer requested in error when preparing for this event.

Budget Amendment #65 – To increase the Landfill Closure Fund budget for environmental monitoring costs estimated for the remainder of FY 2023.

Budget Amendment #66 – To adjust the budgets of the County water funds based on data from year-to-date reports from the City of Hickory.

Budget Amendment #67 – To adjust the Bethlehem Sewer Fund budget based on data from year-to-date reports from the City of Hickory.

Commissioner Reese made a motion to approve Budget Amendments #63 - #67. Commissioner Herman seconded the motion, which passed unanimously.

BOARD APPOINTMENTS & REAPPOINTMENTS

Jamie Starnes, Clerk to the Board, requested the following appointments and reappointments:

Council on Aging – appoint Pat Carter and reappoint Kristy Hunt, Jeri Perry, Douglas Howes, and Julie Sebastian, all for 3 years.

Juvenile Crime Prevention Council – appoint Ethan Windsor as designee for Douglas Bowman, Chief of Police for the Town of Taylorsville, with a term expiration of June 30, 2024 and reappoint Eugene Smith who is transferring from a “person under 21” member to a “county commissioner appointee” with a term expiration of June 30, 2023.

Vice-Chairman Lail made a motion to approve the appointments and reappointments. Commissioner Reese seconded the motion, which passed unanimously.

OTHER BUSINESS

There were no items discussed during Other Business.

CONSENT AGENDA

- A. Tax Abatements & Adjustments (\$574.19) for Tax Refunds (\$1,191.88) for April 24 – May 7, 2023.
- B. Minutes from the April 3, 2023 and April 17, 2023 Regular Commissioners’ Meetings and the April 6, 2023 Special Called Meeting.
- C. Alexander County JCPC Annual Plan for FY 2023-2024.
- D. May 2023 line item transfer report.

Commissioner Reese made a motion to approve the Consent Agenda. Commissioner Herman seconded the motion, which passed unanimously.

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

Vice-Chairman Lail made a motion to enter into Closed Session at 7:35 PM to discuss contractual matters and personnel issues pursuant to N.C.G.S. 143-318.11(a)(5 & 6). Commissioner Reese seconded the motion, which passed unanimously.

ADJOURNMENT

There being no further business, Commissioner Reese made a motion to adjourn at 8:15 PM. Commissioner Herman seconded the motion, which passed unanimously.

Marty A. Pennell, Chairman

Jamie M. Starnes, Clerk to the Board