

Draft

BOARD OF COMMISSIONERS
REGULAR MEETING May 19, 2025

ALEXANDER COUNTY
STATE OF NORTH CAROLINA

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

STAFF: Debra Bechtel, Interim County Manager
 Ben Faulkenberry, County Attorney
 Gary Herman, PIO
 Jamie Starnes, Clerk to the Board

The Alexander County Board of Commissioners held a regular meeting on Monday, May 19, 2025, 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 Herman gave the invocation and Commissioner Reese led the Pledge of Allegiance to the Flag.

COMMISSIONER'S REPORT

Vice-Chairman Yoder spoke about his participation during opening ceremonies at the first annual Springfest which took place on Saturday, May 17th at Bethlehem Park.

Commissioner Herman attended a Chief's Meeting that occurred last Thursday, May 15th where he shared information regarding the FY 2025-2026 budget.

ADOPTION OF AGENDA

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

PUBLIC HEARING: FY 2025-2026 ALEXANDER COUNTY PROPOSED BUDGET & BUDGET MESSAGE

Jennifer Herman, Finance Director, presented the following Budget Message for the FY 2025-2026 proposed budget for Alexander County:

I am pleased to submit the Alexander County proposed budget for the fiscal year beginning July 1, 2025 and ending June 30, 2026 (FY 2025-2026). The following budget message highlights the goals and objectives expressed by the Board of Commissioners during the budget preparation process. Budget requests and revenue estimates were analyzed during an initial work session on April 21, 2025 with further discussion at the May 12, 2025 budget work session. This budget message contains the results of the Board's careful consideration of budget requests and funding sources.

The proposed General Fund budget for fiscal year 2025-2026 totals \$60,327,132, reflecting a 6.5% increase, or about \$3.7 million, over the FY 2024-2025 adopted budget. This increase is driven primarily by inflationary cost pressures, critical service needs, and targeted investments in county infrastructure and personnel. When comparing the initial General Fund budget requests to estimated revenues, the budget showed a projected shortfall of \$8.2 million. Through extensive review, collaboration, and prioritization, the proposed shortfall has been reduced to approximately \$5 million. With the growth in property valuation hovering around 1% and sales tax revenues remaining the same or less than last year, the County plans to appropriate \$5,033,000 of fund balance as a revenue source in order to balance the General Fund budget.

The property tax rate for fiscal year 2025-2026 is proposed to remain at 65 cents per \$100 valuation.

Employee Compensation and Personnel Changes

The proposed budget includes a 2.5% cost-of-living adjustment (COLA) for all County employees along with the continuation of the employee holiday bonus. In response to urgent staffing challenges in public safety, the budget also proposes an additional pay increase for most employees in the Sheriff's Office, Detention, 911 Communications, and EMS. These steps are critical to improve recruitment and retention, particularly in departments where turnover is high and regional salary competition is strong.

A number of new positions, along with existing position reclassifications, were requested by various departments for the upcoming budget year. The following new positions are included in the proposed budget: Eight paramedics to form an additional EMS crew, a

part-time position in Emergency Management, a social worker in Adult Protective Services for DSS, and a part-time position for the Senior Center.

Capital Outlay Requests

County departments requested \$3,581,590 in capital outlay expenditures for FY 2025-2026, but not all requests could be funded. While reviewing requests, an emphasis was placed on items critical to safety, infrastructure maintenance, and continuity of County operations. The capital outlay items that are included in the 2025-2026 proposed budget total over \$2.2 million. The following list, which is not all-inclusive, highlights the major capital expenditures recommended across all County functions.

<i>EMS - ambulance with power load stretcher</i>	<i>\$324,000</i>
<i>Sheriff - four vehicles/equipment</i>	<i>339,000</i>
<i>Maintenance - buildings and grounds improvements</i>	<i>358,000</i>
<i>911 Communications - replace equipment</i>	<i>142,325</i>
<i>DSS - three vehicles</i>	<i>120,000</i>
<i>Landfill - rubber tire loader</i>	<i>250,000</i>
<i>Water & Sewer Fund - replace two water lines</i>	<i><u>680,000</u></i>
<i>Total</i>	<i>\$2,213,325</i>

Fee Adjustments

In the General Fund, EMS has proposed the following fee changes: increase billing fees by \$50 across the board, implement a \$50 public assist fee, and increase the mileage fee from \$11 to \$13 per mile.

The Solid Waste Fund has plans for fee changes as well. Convenience site fees are proposed at \$2 per 30-gallon bag, which is the first increase since 2015. Landfill fees are proposed to increase \$5 per ton to bring construction and demolition debris to \$60 per ton and household, commercial, and industrial waste to \$70 per ton. Landfill fees were last increased in fiscal year 2021-2022. These changes are intended to stabilize the Solid Waste Enterprise Fund, while focusing costs on users as opposed to the General Fund.

Fire Protection

Most fire departments requested additional General Fund appropriations or fire tax rate increases to support equipment and staffing. Based on the consensus that fire protection services should be funded by fire district property tax revenues, the FY 2025-2026 proposed budget maintains current-year funding levels by adjusting the fire tax rates as necessary in each district. This action is expected to save approximately \$328,000 in the General Fund without reducing the amount of funding to the fire departments. The list below contains the fire district property tax rates for FY 2024-2025 and the proposed rates for FY 2025-2026.

<u>Fire District</u>	<u>Current Rate</u>	<u>Proposed Rate</u>
Bethlehem	0.0430	0.0430
Wittenburg	0.0580	0.0581
Hiddenite	0.0540	0.0670
East Alexander/Stony Point	0.0700	0.0774
Ellendale	0.0600	0.0780
Sugar Loaf	0.0750	0.0830
Central Alexander	0.0500	0.0510
Vashti	0.0800	0.1070

Alexander County Schools

The initial budget request from Alexander County Schools totaled \$7,647,247, which included an increase of \$154,206, or 2.1%, over FY 2024-2025 funding in order to address shortfalls in the School Nurse Fund Initiative, NC Pre-K program, and School Resource Officer program. A revised budget request from the school system contained an additional request for \$528,061 to replace the loss of low-wealth supplemental funds from the State. The total funding request from the school system stands at \$8,175,308, which is an increase of \$682,268, or 9.1%, over FY 2024-2025 funding. The County's proposed budget for FY 2025-2026 includes an appropriation of \$8,078,040, which is an increase of \$585,000, or 7.8%, over the funding for FY 2024-2025.

Utilities Rate Changes

The City of Hickory is proposing a 5% increase in its water volume rate and a 5% increase in the sewer volume rate for bulk sewer customers effective July 1, 2025. This is subject to approval by the Hickory City Council as a component of the City's 2025-2026 budget. In a letter to Alexander County from City of Hickory Public Utilities, the rate increases were attributed to inflation in chemical, electricity, personnel, equipment, and material costs.

County Projects

A number of major projects will start or continue during the 2025-2026 budget year. These include water and sewer infrastructure projects, community development initiatives, and public park and County facility improvements. Funding sources for the projects include state and federal grants as well as other special funds earmarked for such expenditures. 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.

Continuing projects include:

- ARPA Waterline Extension Project
- Bowman Court Sewer Pump Station Project
- Bethlehem Water Tank Project
- Alexander Industrial Park Shell Building Site Sewer Extension Project
- Three Forks Church Road Waterline Extension Project
- Sterling Road Neighborhood Revitalization Project

- *16 W. Main Avenue Downtown Revitalization Project*
- *EMS Station 1 Renovation Project (Taylorsville)*

New projects include planning and design work for improvements to East Park and renovations to EMS Station 2 (Bethlehem). In addition, the FY 2025-2026 General Fund budget will continue to set funds aside for future capital projects. As recommended by Interim County Manager Debra Bechtel, the Board's commitment of fund balance will accumulate over time to reduce the County's reliance on debt financing. This action will also position the County to leverage future capital grants that require a local match.

Debt Service

This budget includes a General Fund appropriation of \$659,000 for principal and interest payments on the debt for the law enforcement and detention center. The 2011 installment financing agreement was refinanced in 2020 and the final debt service payment will take place in January 2026.

The FY 2025-2026 budget also includes a debt service appropriation of \$945,000 in the County Water and Sewer Fund to pay the principal and interest on four separate debt issues for water and sewer projects. The individual loans, which are being repaid from water and sewer revenues, will mature in 2028, 2035, 2040, and 2041.

In closing, I would like to express my appreciation to our department heads and staff for their diligence and commitment throughout the budget development process. I want to thank the Finance Department staff for their hard work, attention to detail, and dedication behind the scenes. As always, our Clerk to the Board has provided invaluable assistance to keep us informed and up-to-date during this busy time. A special thank you goes to our Interim County Manager for her steady leadership, insight, and support during this transition period. I also thank the Finance Committee of the Board for their careful review and valuable guidance, as well as the entire Board of Commissioners for their leadership, vision, and steadfast commitment to serving the people of Alexander County. Together, we have developed a proposed budget that reflects the Board's priorities of being fiscally conservative while ensuring the continued operation of all County functions and service delivery to all citizens.

We look forward to adopting the FY 2025-2026 budget in June.

After a motion by Vice-Chairman Yoder, second by Commissioner Herman, and unanimous vote, the public hearing was called to order and comments requested.

Public Comment

Don Taylor asked if, in the future, citizens could review a copy of the proposed budget before the scheduled public hearing, allowing them to prepare questions.

Debra Bechtel, Interim County Manager, responded that the proposed budget had been available to the public since April 21, 2025 when it was first presented to the Board for initial review. In addition, she emphasized that the public hearing notice announcing the date and time of tonight's budget public hearing had also included notice that a copy of the proposed budget was available in the Clerk to the Board's office, as required by statute.

Ashley Starnes, Chief of Bethlehem Fire & Rescue, pointed out that the proposed budget included pay raises and increased funding for multiple organizations, yet did not allocate anything extra for fire departments. He discussed the rising costs for staffing, equipment, and other necessities that were mentioned by several fire chiefs at the last meeting as well as significant growth anticipated for the Bethlehem community that would require infrastructure to be expanded. For these reasons, he asked the Board to reconsider the requests submitted by the fire departments.

Susan Fontyne requested and received clarification on where the new EMS crew would be stationed as well as the source of funding for the \$5 million to balance the budget.

There being no further comments, Vice-Chairman Yoder made a motion to close the public hearing. Commissioner Herman seconded the motion, which passed unanimously.

Several Board members expressed their gratitude to Ms. Herman and staff for their efforts on the budget and provided remarks concerning budget priorities, capital need, and other related matters.

BUDGET ORDINANCE AMENDMENT #37

Ben Faulkenberry, County Attorney, explained the purpose of Budget Amendment #37 as follows:

- To increase the Register of Deeds budget to cover estimated expenses for FY 2025 payments required by the state;
- To increase the Sheriff's Office budget for NC Emergency Management Deployment grant funds received to reimburse for Hurricane Helene response in Rutherford and Yancey Counties;
- To budget for the State Grant Program for County Veterans Offices from the NC Department of Military and Veterans Affairs; and
- To increase the Senior Center budget for a reallocation of Senior Center Operations grant funds from the Home and Community Care Block Grant.

Vice-Chairman Yoder made a motion to approve Budget Amendment #37. Commissioner Herman seconded the motion, which passed unanimously.

UPDATES & ANNOUNCEMENTS

Ben Faulkenberry, County Attorney, provided the following updates and announcements:

- The NC Department of Information Technology has awarded a second round of Completing Access to Broadband grant funds totaling \$320,485 to Brightspeed to provide high-speed internet service to an additional 125 homes and businesses in Alexander County. These funds will be paid directly to the contractor and no County dollars will be spent.
- The 11th annual Vertical Mile Challenge is scheduled for June 21st at Rocky Face Park.
- The Wittenburg Access swim beach will reopen for the season on May 26th with operating hours of 10:00 AM to 6:00 PM six days per week (closed on Wednesdays for maintenance). As a special treat for opening day, there will be a food truck and coffee truck with items available for purchase.
- Beginning in July, water lines will be installed through the Lowes Foods parking lot in Bethlehem as part of the Bethlehem Water Tank Project.
- County offices will be closed on May 26th in observance of Memorial Day.
- The next Commissioners' Meeting is scheduled for Monday, June 2nd at 6:00 PM.

CONSENT AGENDA

- A. Tax Abatements & Adjustments (\$118.25) and Tax Refunds (\$958.60) for April 28 – May 11, 2025.
- B. Minutes from the May 1, 2025 Special Called Meeting and May 5, 2025 Regular Meeting.
- C. Renewal of the Vashti Solid Waste Convenience Site lease with signatory authority given to the Interim County Manager.
- D. Records disposition request from the Human Resources Department.
- E. Voting system upgrade request from the Board of Elections.

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

ADJOURNMENT

There being no further business, Vice-Chairman Yoder made a motion to adjourn at 6:47 PM. Commissioner Reese seconded the motion, which passed unanimously.

Marty A. Pennell, Chairman

Jamie M. Starnes, Clerk to the Board