



# Chairman's Chat

## Economic impacts of COVID-19, current projects highlighted



**Ryan Mayberry**  
Chairman, Alexander County Board of Commissioners

My fellow citizens of Alexander County, I hope everyone is staying healthy and safe. So far, the year 2020 has been one that we will never forget. At the beginning of the year, the U.S. economy had never been better. Employment was at all-time highs, the stock market was hitting all-time highs as well, and the outlook for our country had never been better. Then, an unknown type of virus sweeps across the globe in a worldwide pandemic, forcing business closures and job losses. Across the country, people became sick and many died from this newly discovered disease. We are told that millions in the United States may die before it comes under control. Worry, fear, and misinformation spread faster than wildfire. As your local government, we have worked hard during the COVID-19 pandemic to help keep everyone safe and informed. We are still unsure when this pandemic will end, when a vaccine will be available, or when we will be able to return to a "new normal," but we are hopeful and cautiously optimistic. We will keep you informed as often as necessary to any new information that we receive.

As most of you are aware, the Alexander County Board of Commissioners adopted the 2020-2021 budget at our June 1 meeting. I believe it is a conservative budget and it mirrors last year's budget to a large degree. The reasoning is simple: we are not sure how the coronavirus will impact our expenses or revenues. Sales tax revenues run three months behind, so we are just now starting to see how the virus has affected people's spending and the taxes those purchases generate. For the past two years, sales taxes have comprised almost 25 percent of the county's revenues. We fear the effects of COVID-19 will negatively affect

these revenues while also increasing expenditures, which won't allow the county to take care of some needs in several areas. Due to this uncertainty, the new budget contains a variety of capital outlay items in contingency, which allows commissioners to review revenues in January 2021 and decide then if these items can be funded.

Over the years, some have said that Alexander County, and other counties, don't need to have an emergency reserve fund, or in budgetary terms, a "fund balance." Fortunately, commissioners have been planning for the last several years to put savings into the fund balance for emergency situations like the COVID-19 pandemic when revenues will drop but expenditures will increase in departments such as Emergency Services and the Health Department. The NC Local Government Commission (LGC) requires local governments to have a minimum fund balance and urges them to prepare for emergencies, such as COVID-19. In December 2019, we received a favorable audit report from Martin Starnes and Associates CPAs, which showed that our fund balance percentage equaled 31.7 percent of total General Fund expenditures and transfers, for a total available fund balance of \$12,586,859. Our fund balance is comparable to counties in the population group of 25,000 to 49,999. We've worked hard to build up this emergency fund, because as we've seen this year, you never know what can happen, and we must continue to provide essential services even when tax revenues drop. Because when tax revenues drop, that is when local government services are usually needed the most.

Many of you have probably heard of "opportunity zones," which were established in 2018 as part of the federal government's Tax Cuts and Jobs Act.

Opportunity zones, which are economically distressed communities, offer qualified investors certain tax benefits when they invest unrealized capital gains into these areas. There are 252 opportunity zones in the state, but Alexander County has only one opportunity zone, which is approximately 20 square miles with a population of 6,691 and includes the Town of Taylorsville and beyond. US Senator Tim Scott, a Republican from South Carolina and the person that championed Opportunity Zones, is now leading the charge to persuade the US Department of Treasury and the IRS to modify certain rules for businesses and investors in opportunity zones to ensure a strong path forward in the COVID-19 economic recovery. I hope Senator Scott's relief package is approved, as it could further encourage private investment to help get some manufacturing to return from China. Due to rapidly rising construction costs, commissioners put on hold a major economic development project that would have seen a new 50,000 SF Industrial building built in the Alexander Industrial Park. Though I will not be a commissioner much longer and will not get to vote on the project, I hope that future commissioners will be able to make it work financially and will vote to build it. Businesses that want to move manufacturing back to the U.S. will want to do it quickly, and having a ready-built site will make Alexander County an attractive place in which to relocate. A strong local economy is vital for Alexander County's future.

Meanwhile, the county has four major projects that are underway or about to begin, including the Bethlehem sewer project, a major, two-phase water line extension project, the Stony Point Elementary School sewer project, and development of the new county park -- Courthouse Park.

The Bethlehem sewer project totals \$5,149,557.63, with funding through a State Bond Loan from the North Carolina Clean Water Revolving Loan and Grant program. The project includes 23,415 linear feet of sewer lines and the upgrade of the Heritage Village and Wittenburg Springs pump stations. The project is slated for completion in June 2021. With the NC Hwy. 127 widening project coming in 2023, this sewer project is a proactive move to promote economic development in Bethlehem.

Construction on the current water line extension project, which totals \$4,699,248, includes 71,090 feet of new water lines that could serve 295 households and many farms. The project is scheduled for completion in September 2020 and is being funded with

zero-interest and low-interest loans from the North Carolina Drinking Water State Revolving Fund. In April, commissioners approved \$1,402,738 to add 12,250 linear feet of water lines to the project while the contractor is mobilized in the county. These areas were in need of a reliable, quality water supply, and the county is excited to be able to provide water service to these households. I'd also encourage residents in the project areas to take advantage of the discounted tap fee of \$541, which is a savings of \$602. This discount ends June 30, 2021. Please know that we are always seeking to expand our water system to help our citizens.

Work is about to begin on the Stony Point Elementary School sewer project, which totals \$644,710.57. The project is being funded by a CDBG-I (Community Development Block Grant for Infrastructure) grant from the State Water Infrastructure Authority and Alexander County Government. The project includes constructing a pump station and installing approximately 3,500 linear feet of sewer lines to connect the school to the new line. The school is currently operating with two septic tanks, and this project will allow the school to function at a more efficient level.

I'm sure most of you have seen the murals on the green space in downtown Taylorsville. Commissioners recently approved the funding to convert the block into "Courthouse Park," which will include a performance stage, splash pad, playground, picnic shelter, walkways, trees, and more. The county is applying for a \$400,000 grant from the NC Parks and Recreation Trust Fund (PARTF). If approved, the county would provide matching funds of \$433,037. This park will be a major benefit to the downtown area and will provide cultural arts and recreational opportunities for our citizens. The master plan is available online at [www.bitly.com/courthouse-park-plan](http://www.bitly.com/courthouse-park-plan).

As you can see, Alexander County leaders and staff have been staying very busy during these troubling times. As your Commission Chairman, I'm proud to see such great progress we are making and the great strides we are taking to keep everyone safe.

