

CALDWELL COUNTY
Lenoir, North Carolina

BOARD OF COMMISSIONERS
Special Meeting-Work Session
May 24, 2007, 9:00 a.m.
Caldwell County Public Library
120 Hospital Avenue
Lenoir, North Carolina 28645

Present: Faye R. Higgins, Chairman
Ron Beane, Vice Chairman
Don Barrier
Herbert H. Greene
Dr. John W. Thuss

Absent: None

Staff Present: Jack Horton, County Manager
Kathy T. Myers, Clerk to the Board
Diane Philyaw, Deputy Clerk
Sam Yearick, Finance Director
Tony Helton, Financial Analyst

Chairman Higgins called the meeting to order and welcomed everyone.

Bid Award for the County Office Plaza Façade Renovations

The County Manager reported that bids were opened in April for the Alden E. Starnes County Office Plaza project (“project”). CBSA Architect Ernie Sills reviewed the bids for accuracy and checked to make certain that the low bidder was indeed the “lowest responsible bidder.” Mr. Horton said that the architect was satisfied with the bid; however, in order to be ADA compliant, four automatic operators for the new doors totaling \$10,845.00 (that were inadvertently omitted from the bids and specs) needed to be added. He said that would bring the total cost for the project to \$523,335.00. Funds in the amount of \$650,000.00 were borrowed for the project previously approved by the Board and he said Mr. Sills recommended awarding the contract to A & M Construction, Asheboro, NC for the base bid as well as Alternates #1, #2, and #3.

Mr. Horton highlighted the following bids received April 25, 2007 for the project:

<u>General Contractor</u>	<u>Base Bid</u>	<u>Alt #1</u>	<u>Alt #2</u>	<u>Alt #3</u>	<u>Alt #4</u>	<u>Total</u>
Moss Marlow Builders	\$371,200	\$27,600	\$28,195	\$97,520	\$441,770	\$966,285
A & M Construction	\$371,714	\$20,235	\$28,043	\$86,448	\$447,065	\$953,505
Wilkie Construction	\$388,185	\$27,640	\$30,227	\$82,230	\$431,324	\$959,606
Lail Builders	\$445,000	\$35,500	\$35,500	\$22,000	\$350,000	\$920,500

Mr. Sills showed Commissioners and staff the plan for façade renovations to the County Office Plaza. He said alternate #1 would add pediments; alternate #2 would add a real free-standing porch with roof; alternate #3 would add decorative columns; and alternate #4 would use

reinforced polymer that looks like sandstone. He said the project would include pressure washing all the brick; patching where needed; special paint; and new aluminum coping. Following lengthy discussion about the alternates for the project and discussion about whether or not to renovate the building, Commissioner Thus moved to approve the bid award to A & M Construction in the amount of \$534,180.00 for renovations to the Alden E. Starnes County Office Plaza. Chairman Higgins seconded the motion. Commissioner Greene moved to table action on the motion until the Board's next regular meeting, Commissioner Barrier seconded, and the vote was unanimous.

Makeup of Planning Board Membership

Commissioner Thus led discussion about the history of the Planning Board structure, representation, etc. The current ordinance calls for a 15-member board including representation from municipalities within the County. Following discussion, Commissioner Beane suggested a new model for the Planning Board be pursued and Commissioner Thus said he would follow up with Randy Feierabend.

Vehicle Fuel Conservation Plan

Mr. Horton provided Commissioners a draft vehicle fuel conservation policy and highlighted provisions in the document. The Commissioners said it was a good draft and asked the County Manager to edit the policy and bring back a final version for their consideration during a regular meeting of the Board.

Proposed FY2007-08 Budget

The County Manager began by informing Commissioners that the FY2007-08 budget proposal contained expenses of \$61,019,519 and revenues projected at \$55,446,963 which resulted in a shortfall of \$5,572,556 amounting to an 11.86-cent tax rate increase. With that shortfall amount, Mr. Horton offered the following proposals to adjust the shortfall down to \$3,876,556 resulting in the need for an 8.25-cent tax rate increase.

Proposed Adjustments

A & E reimbursements	\$ 672,000
Increase jail fees	\$ 350,000
Soft cost reimbursement (Google)	\$ 106,000
Increase interest income	\$ 50,000
Reduction in health insurance costs	\$ 227,000
Adjust property insurance reserve	\$ 105,000
Reduce school appropriation increase to 3%	\$ 127,000
Reduce CCC&TI appropriation increase to 3%	\$ 24,000
Reduce capital outlay for CCC&TI to current level	\$ 15,000
Reduce budget for books and periodicals at library	\$ 20,000
Total Adjustment	\$1,696,000

Mr. Horton also reported the following changes in revenues projected for the current year (06-07) budget:

Home Health	(\$1,150,000)
Sales Tax	(\$ 382,000)

DSS Community Alternatives Program	(\$ 590,000)
Jail fees	(\$ 350,000)
Tax collection fees	(\$ 180,000)
Property tax collections	\$ 590,000
Vehicle tax collections	\$ 150,000
Host fees (landfill)	\$ 100,000
Ambulance fees	<u>\$ 350,000</u>
Total Loss of Revenues	(\$1,462,000)

Lengthy discussion followed about the information Mr. Horton provided Commissioners as well as discussion about the amount of debt service for FY2007-2008 and FY2008-2009; the increase in major operational expenses (school funding; CCC&TI funding and capital outlay; employee health insurance cost increase; and full-year cost of 8 new jail employees added January 2007); and selling Home Health.

At 3:45 p.m., Commissioner Thuss moved to recess the meeting until 9:00 a.m. on May 31, 2007. Commissioner Beane seconded the motion and it carried unanimously.

At 9:00 a.m. on May 31, 2007, Chairman Higgins declared the meeting reconvened and welcomed everyone.

Mr. Horton briefed Commissioners on news regarding the State possibly taking over the Medicaid obligation from counties.

There was lengthy discussion about the Board not coming to agreement on a FY2007-08 budget and the impact of an interim budget on sending out tax bills and subsequent collection of taxes. The Board also talked about the possibility of imposing a one-cent sales tax as a more equitable way to distribute the burden among all citizens and not just property owners.

Mack Chandler, Tax Administrator, reported on foreclosure proceedings by the County for unpaid taxes. He said the first letter had already been sent and a second would be going out June 1st. Mr. Chandler also talked about methods by his staff to collect taxes (garnishments, debt setoff, etc.).

Commissioner Greene suggested appropriating \$1 million from the Water Enterprise Fund to the County's general fund and discussion followed about raising water rates by the Consumer Price Index rate.

Commissioner Beane raised concern about the proposed \$61 million budget with \$55.4 million in revenues and a \$5.572 million shortfall. He asked how that gap could be narrowed in order to adjust the recommended budget.

There was lengthy discussion about the shortfalls in revenues projected for FY2006-07, particularly, Home Health's projected revenues which were expected to fall short at fiscal yearend by \$1,150,000.

At 3:40 p.m., Commissioner Thuss moved to recess the meeting until 9:00 a.m. on June 7, 2007. Commissioner Beane seconded the motion and it carried unanimously.

At 9:00 a.m. on June 7, 2007, Chairman Higgins declared the meeting reconvened and welcomed everyone in attendance.

Commissioner Greene was absent from the meeting this date.

Chairman Higgins began the meeting by stating her opposition to a double-digit tax rate increase. She listed several options to consider including some of the options mentioned by the County Manager during the first day of the work session to reduce the need for a tax rate increase of only seven cents. She further proposed other options that would reduce the need for a tax rate increase of only 4.43%. Following her presentation she asked fellow Commissioners their thoughts or ideas to keep from having a double-digit tax rate increase in the FY2007-08 budget.

She also suggested an idea for the County to allow citizens and employees to participate in budget process as well as implementing a program that would reward employees who made suggestions to save County money that were put in place by giving them 10% of the savings.

Chairman Higgins also suggested reducing the number of county-owned vehicles and paying employees mileage expense for use of their personal vehicles. She also talked about the possibility of reducing the number of cell phones on the County's plan as well as selling the Health Department bus.

Detention Center

Captain Chris Brackett reported that the State Jail Inspector recently visited the County's Detention Center and was very impressed with the changes/corrections and progress made since the initial visit. Captain Brackett said a complete report would be sent to the County. He talked about getting the reimbursement rate for federal inmates increased by considering all direct and indirect costs for housing the inmates.

The County Manager and Commissioners discussed the County's fund balance, how it is calculated, and how the Local Government Commission bases its decisions concerning the County's ability to borrow by using the amount of the County's fund balance as of June 30th of the previous year.

At 2:50 p.m., Commissioner Thuss moved to recess the meeting until 1:30 p.m. on June 13, 2007. Commissioner Barrier seconded the motion and it carried unanimously.

At 1:00 p.m. on June 13, 2007, Chairman Higgins declared the meeting reconvened and welcomed everyone.

Caldwell County Schools

Dr. Steve Stone and Bob Query reported to Commissioners the schools needs for the upcoming year and presented them a FY2007-2008 Local Budget which is hereby incorporated by reference and made a part of these minutes (Exhibit A).

Commissioner Barrier stressed the need for having long term plans and thanked Dr. Stone and Mr. Query for information they provided.

CCC&TI

Dr. Ken Boham talked about the County's investment in education and on the college campus, especially the two newest buildings. He said the current proposal for FY2007-08 funding for the college was not sufficient and that it might possibly tarnish the County's image at a time when everything possible was being done to generate interest and development in Caldwell County. He informed Commissioners that CCC&TI had no fund balance and lives year to year. Dr. Boham said, for twelve years, the college had submitted a budget request for operational costs and none had ever been funded as requested. He said over the past year, he had done everything he could to keep the doors and facilities open.

Dr. Boham reported the college received \$7 million from a bond referendum which was used for maintenance. He said a 4% increase of \$97,745 for the upcoming year would result in the college being "in the whole" \$4,400 on July 1. He said the college may have to shut down summer school next year and reported that three vacant custodian positions had not been filled. He also told Commissioners that the college may have to outsource the maintenance of the transportation building (former Lenoir Ford property).

Mr. Larry Taylor, CCC&TI Board Chair, reiterated a lot of Dr. Boham's concerns and talked about the college's assistance to dislocated workers; assistance with training for Google's specific needs; and acquisition of the transportation building property. He noted that 34 to 36 percent of graduates from the County's three high schools enroll at CCC&TI.

Sheriff Department

Sheriff Alan Jones and Captain Mike Powell asked Commissioners to reconsider the recommendations for the supplies and training line items. Following discussion, the Board suggested the County Manager and Finance Director increase the line items by \$2,500 and \$20,000, respectively.

At 4:00 p.m., Commissioner Barrier moved to recess the meeting until 10:00 a.m. on June 14, 2007. Commissioner Thus seconded the motion and it carried unanimously.

At 10:00 a.m. on June 14, 2007, Chairman Higgins declared the meeting reconvened and welcomed everyone.

The County Manager provided Commissioners with pie charts of expenditures and revenues, noting that the school system was \$13+ million or 81.5% of the total expenditures for education. He reported that the college's capital outlay was \$320,000 and operating expenses were \$2.5 million. Mr. Horton said that general government was only 10% of the total budget. Discussion followed about the school system's and college's budget requests for FY2007-08.

By consensus of the Board, the County Manager was directed to prepare two FY2007-08 budget proposals (one with a 10-cent tax rate increase and one with a 12-cent tax rate increase) for their consideration on June 18, 2007.

There being no further business, Commissioner Barrier moved to adjourn and Commissioner Greene seconded. By unanimous vote, Chairman Higgins declared the meeting adjourned at 12:20 p.m.