

MITCHELL COUNTY BOARD OF COMMISSIONERS

MINUTES

SPECIAL SESSION

APRIL 12, 2011

NORTH CAROLINA

MITCHELL COUNTY

The Mitchell County Board of Commissioners met in Special Session on April 12, 2011 at 5:00 p.m. in the Commissioner's Conference Room, Administration Building, Bakersville, NC. Those present for the meeting were: Marvin Miller, Chairman; Lee Roy Ledford, Vice-Chairman; Ken Hollifield, Member; Bill Slagle, Member; Joe Street, Member; Charles Vines, County Manager and Kathy Young, Clerk to the Board. Also present were Mavis Parsley, Finance Officer; and Corey Hoilman, Reporter with the Mitchell-News Journal.

1. **CALL TO ORDER** – Vice-Chairman Ledford called the meeting to order at 5:00 p.m.

2. **INVOCATION** – Commissioner Hollifield gave the invocation.

3. **ITEMS FOR DISCUSSION**

A. **Designation of Lead Agency** – Commissioner Slagle moved to designate the Senior Center as the Lead Agency for Mitchell County. Commissioner Hollifield seconded the motion and it carried unanimously.

B. **Appointment of The H&CCBG Advisory Committee** – Commissioner Slagle moved to appoint the following people to the H&CCBG Advisory Committee:

David Dale	Sheila Grindstaff	Roger Hinshaw
Stacy McKinney	Chuck Vines	Mavis Parsley
Jeff Vance	Clarice Murphy	Paula Holtsclaw
Sally Hakes	John Wadsworth	Anita Davie
Norma Duncan		

Commissioner Hollifield seconded the motion and it carried unanimously.

C. **Budget Amendment #3 for FY 2010-2011** – Discussion was held concerning this Item. No action was taken on Budget Amendment #3. By consensus the Board agreed for County Manager Vines to develop a RFP for the roofs at the Senior Citizen Center and the library. The RFP is to include proof of Insurances and a list of references.

D. **General Fund CD Renewal** – Commissioner Hollifield move to approve the General Fund CD Renewal at United Community Bank.

4. **BUDGET WORK SESSION – W.A.M.Y.** Andy Bryant requested \$8,000 funding for health and safety repairs to homes in Mitchell County. EnergyXchange requested \$16,700 for the support of EnergyXchange. NC Cooperative Extension requested \$31,098 for the vacant Office Assistant position. Mitchell County Sheriff's Department requested \$2,031 for the promotion from Grade 62 to Grade 64. Blue Ridge RC&D requested \$15,000 funding support to monitor grants. Toe River Health District requested an additional \$13,000. Mitchell County Animal Shelter requested a one time funding allocation of \$5,000 for their heating system. Mayland Community College requested an additional \$57,020.

Mitchell County Board of Education requested an additional \$200,000 in operations. Mitchell County Board of Election requested an additional \$21,889 to make a part-time position a full time position. Mitchell County Library requested an additional \$3,348.

Finance Officer Parsley reviewed the following information with the Board on what was included in the draft budget for FY 2011-2012.

Fixed Cost Increases:

Retirement – This is the second year that the State has increased the match requirement for local governments. Last year was an increase of 1.55%, this year is an increase of .53%, and we can expect an additional increase again next year of the same.

Now for General employees – 6.50%	New rate – 7.03%
Now for Sheriff employees – 6.41%	New rate – 7.04%

This additional increase for 2011-2012 will cost an additional \$23,000

Health Insurance – The State Insurance is increasing 5.2% this year; as well as a projected 5.2% increase for 2012-2013 budget year.

Current rate - \$410.80	Rate for 2011-2012 - \$432.17
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Additional cost for 2011-2012 for 102 employees - \$26,157

This does not include Retiree Insurance – Next year we will have 15 retirees of which we pay either full insurance or a percentage. This number will vary depending on years of service and age of retiree.

EMS Contract – This contract runs 7/2009 thru 6/2013

2011-2012 cost - \$29,705

Martin-McGill – The Grant Administration cost for the Sewer Project to the High School from Spruce Pine is \$23,450.00 of which \$15,000.00 will be paid by grants.

County Cost - \$8,450.00

Consumer Price Index:

The tool that is most used to determine the CPI for budget purposes is www.bls.gov. We have always used the index that is published mid January which covers the prior 12 months. Some counties wait and use the index that is published in February of each year that covers the prior 12 months.

January – 1.5%
February – 1.6%
March – 2.1%

I would recommend continuing to use January's report since it is the most common used when applying increases to contracts or budgets for the coming year.

If the Board of Commissions desired to apply a CPI of 1.5% to the 2011-2012 Budget the cost increase would be as follows:

County Pay Plan: \$74,954.89

This includes pay plan cost of \$65,360.03, FICA \$5,000.05, and retirement \$4,594.81

Outside Agencies: \$44,256.00

This is across the board increase to current year funding of 1.5% to all outside agencies including the Board of Education.

Fund Balance:

The 2010-2011 Budget was balanced (after the 4 cent tax rate decrease) by using fund balance. This amount was \$701,418.00; which means even with a flat 2011-2012 budget we would need to dip into fund balance again for the same amount. Basically, we are starting this budget process in the red.

In order to adopt a balanced budget for 2011-2012, the Board of Commissioners would need to (1) appropriate additional fund balance, (2) reduce spending, or (3) consider a tax rate increase.

After pulling out one time expenditures from the 2010-2011 budget (-\$208,855.00) and adding back in the fixed cost increases (\$87,312.00), an appropriation of \$579,875.00 would be necessary. This would reduce our fund balance as of 6/30/2012 to \$2,869,069.00 or 16.8%.

Some possible spending reductions could result in the following budget savings:

Not filling 4 vacant positions (5 at this time) Salaries & Benefits - \$138,810

Cooperative Extension Secretary – Salary & Benefits \$32,380
Janitorial Position (Retiring 6/30/2011) – Salary & Benefits \$32,998
Sanitation – Salary & Benefits \$37,623
60% Administration Assistant & 40% Finance Assistant – Salary & Benefits \$35,808

The GIS Tech Position is currently included in the Budget Draft
Salary & Benefits - \$37,946

County Department operational budgets have been reduced to a critical level; which means that Department Heads will each have to be held accountable for adhering to their strict budget limitations. Departments with fuel cost are having to absorb the additional cost; gas is currently figured for next year at an average of \$3.50 per gallon (that is actually \$4.00 at the pump price).

The Revaluation Fund annual transfer was reduced from \$100,000.00 to \$75,000.00 due to the 5-year option.

The Contingency was decreased from \$50,000.00 to \$25,000.00.

The 1st draft of the budget is still short \$50,809.00; so more cuts will need to be made.

1 cent on the tax rate is currently equal to \$170,417.00

Revenues:

Revenues in the 1st draft are budgeted flat this year with the following exception:

2% Increase in the one-cent sales tax.

Outside Agencies:

In this 1st draft of the 2011-2012 Budget Proposal, all outside agencies are funded at the same level as last year. Any additional funding granted would need to come from county fund balances or a tax increase.

BUDGET SCHEDULE:

The 2011-2012 Budget Public Hearing will be scheduled for the June 6, 2011 regular commissioners meeting; with the Budget Ordinance Adoption scheduled for the following week.

5. ADJOURNMENT – Commissioner Slagle moved to adjourn the meeting.

The meeting adjourned at 8:35 p.m.

MITCHELL COUNTY BOARD OF COMMISSIONERS

Marvin Miller, Chairman

Lee Roy Ledford, Vice-Chairman

Ken Hollifield, Member

Bill Slagle, Member

Joe Street, Member

ATTEST:

Kathy Young, NCCCC Clerk to the Board