

MITCHELL COUNTY BOARD OF COMMISSIONERS

MINUTES

SPECIAL SESSION

MAY 30, 2014

NORTH CAROLINA

MITCHELL COUNTY

The Mitchell County Board of Commissioners met in Special Session on May 30 2014, at 8:30 a.m. in the Commissioner's Conference Room, Administration Building, Bakersville, NC. Those present for the meeting were: Bill Slagle, Chairman; Joe Street, Vice-Chairman; Keith Holtsclaw, Member; Ken Hollifield, Member; Rickey McKinney, Member; Charles Vines, County Manager and Kathy Young, Clerk to the Board. Also present were: Mavis Parsley and Andrew Mendhenk, Reporter with the Mitchell-News Journal.

1. **CALL TO ORDER** – Commissioner Slagle called the meeting to order at 8:30 a.m.
2. **INVOCATION** – Commissioner Hollifield gave the invocation.
3. **REPORTS/PRESENTATIONS**
 - A. **Submission of FY 2014-2015 Budget** – County Manager Vines presented the following budget message:

In accordance with North Carolina General Statute §159-11 and with direction from the Mitchell County Board of Commissioners, I respectfully submit the proposed budget for the Fiscal Year 2014-2015 for Mitchell County. The proposed budget totals \$18,094,992 for all county operations, capital improvements, and debt service requirements. This budget reflects a slight decrease from the current 2013-2014 amended budget of \$18,103,784. The proposed 2014-2015 budget is balanced with a tax rate of \$0.5250 per (\$100.00) based on current value of real property valuation of \$1, 610,325,728. The revenue is based on a tax collection rate of 94.25% as of June 30, 2013. The proposed budget is balanced and prepared in accordance with the Local Government Budget and Fiscal Control Act.

The result of the 2014 property revaluation is a decrease of \$194,192,772 or 10.76% of the 2013-2014 actual property valuation of \$1,804,518,500 with the current valuations for 2014-2015 being \$1, 610,325,728. Due to this reduction of assessed valuation as of June 30, 2014 the revenue neutral tax rate would be \$0.45.

EXAMPLE:

In 2013-2014 your home and property was valued at \$100,000 and the property tax rate was \$0.40, you would have a tax liability of \$400.00.

During the 2014 revaluation of your home and property, if your value decreased by the average of 10.76%, then your home and property would be valued at \$89,240. If the property tax rate levied was \$0.5250 then you would have a tax liability of \$468.51.

Mitchell County has been diligent throughout its history to control expenses in order to maintain a tax rate lower than the North Carolina average. In 2012-2013, the state average tax rate was \$0.62 per (\$100.00), while Mitchell County's tax rate was \$0.40 per (\$100.00).

Mitchell County has maintained the same tax rate of \$0.40 for the past 4 years, while other counties in our same population group has seen their property values drop and their tax rates rise. From 2009 to 2013 these counties saw their property values decrease by an average of \$433,161,203.00 and their tax rates increase from \$0.41 to \$0.56 per (\$100.00) in order to generate the revenue in which to operate their services. Cost saving measures over the past few years has allowed Mitchell County to have an adequate fund balance, which in turn allowed us to appropriate these funds to balance the past two years of budget needs without a tax increase. Without this fund appropriation, \$1,543,721.00 of fund balance, our current tax rate would have been \$0.51 per (\$100.00) in order to meet our budget & operational needs.

The 2014-2015 proposed budget that is being presented for your consideration, unfortunately, we were not able to fund all requests that was received this year. After much consideration, several requests were either reduced or denied.

Revenues & Expenses:

Property & Vehicle Tax revenues make up 50% of this proposed budget. Sales revenues result in an additional 16%. We have seen a slight increase in sales tax revenues in recent months and have projected a 2% increase in the coming year. 14% of our revenues result from fees, licenses, and other sales & services which have remained unchanged. 2% Fund Balance Appropriation includes \$300,000 for EDC Industry Recruitment and \$148,500 for general operations. The remaining 18% is restricted Federal & State Funds.

Overall expenses remain constant from previous years with 69.4% allocated for all department operations & services, 27% for outside agency funding (which includes schools), 2.2% for capital expenditures, and 1.4% for Debt Service, Revaluation Fund, & Contingency requirements.

This proposed budget is based entirely on information known at this time and will most likely experience additional changes prior to its adoption. We are anxiously awaiting the results of the North Carolina Legislative budget process. There are currently several items being considered that would dramatically affect our budget, if not this year but in future years to come.

Attached you will find the Revenue Neutral Tax Rate calculation, North Carolina Property Tax Rates for 2010-2011, 2011-2012, 2012-2013, Mitchell County Tax

Rate History since 1999, Budget Request, Capital Request, Outside Agency Request for Fiscal Year 2014-2015, and Proposed Budget Summary.

I would like to recognize the Mitchell County Tax Assessor and the Tax Office Staff for their hard work and dedication this past year during the revaluation process.

I would like to express my sincere gratitude to Mavis for her dedication, support and excellence in maintaining the financial records of the county.

I would also like to thank our Board of Commissioners for their commitment to the citizens of Mitchell County and the continued support over the fiscal concerns of our county.

4. ITEMS FOR DISCUSSION

A. Resolutions for Approval of Insurance District Boundaries - Commissioner Street moved to approve the Resolution for Approval of Insurance District Boundaries for Bradshaw Fire Department, Buladean Fire Department, Fork Mountain Fire Department, Ledger Fire Department, Parkway Fire Department, Rhododendron Fire Department and Spruce Pine Rural Fire Department (a copy is hereby attached and becomes a part of the minutes). Commissioner Hollifield seconded the motion and it carried unanimously.

B. HCCBG County Funding Plan Revision – Commissioner Street moved to approve the HCCBG County Funding Plan Revision (a copy is hereby attached and becomes a part of the minutes). Commissioner Holtsclaw seconded the motion and it carried unanimously.

5. ADJOURNMENT – Commissioner Hollifield moved to adjourn the meeting. Commissioner Street seconded the motion and it carried unanimously.

The meeting adjourned at 9:10 a.m.

MITCHELL COUNTY BOARD OF COMMISSIONERS

Bill Slagle, Chairman

Joe Street, Vice-Chairman

Ken Hollifield, Member

Keith Holtsclaw, Member

Rickey McKinney, Member

ATTEST:

Kathy Young, NCCCC Clerk to the Board

