

**STATE OF NORTH CAROLINA
COUNTY OF McDOWELL
BOARD OF COMMISSIONERS
SPECIAL MEETING-MAY 6, 2011**

ASSEMBLY

The McDowell County Board of Commissioners met in special session at 11:30 a.m., on Friday, May 6, 2011, in the Commissioner's Board Room, the usual place for meeting. The purpose of the meeting was for County staff to present the recommended budget for 2011-12.

MEMBERS PRESENT

David N. Walker, Chairman; Barry E. McPeters, Vice-Chairman; Andrew K. Webb; Michael K. Lavendar; and Joshua R. Dobson.

OTHERS PRESENT

Charles R. Abernathy, County Manager; Alison Morgan, Finance Officer; Ashley Wooten, Assistant to the County Manager, and reporter Mike Conley, for the McDowell News.

CALL TO ORDER

Chairman David Walker called the meeting to order. The invocation was given by Commissioner McPeters and the pledge of allegiance was led by Commissioner Dobson.

PRESENTATION OF BUDGET

Chairman Walker welcomed all of those in attendance and explained that the purpose of the meeting was for the Board of Commissioners to receive the recommendation on the 2011-2012 fiscal year budget from County staff. The County Manager reviewed briefly reviewed the Local Government Budget Fiscal Control Act requirements and the process used locally. The County Manager also reviewed the accomplishments that had occurred over the current fiscal year and expressed a positive message about the ability of the County to handle the economic challenges and still accomplish the goals of the Board.

The budget presentation included a recommendation that the tax rate be held at the current rate, that the level of fund balance appropriation be increased to \$420,000 and that spending be largely held at the same level as the current fiscal year. The recommended budget would increase a total of \$721,638 or 2.17%. However, if DSS revenues were backed out of this number the increase would only be \$499,381 or an increase of 1.5%. The total recommended budget is \$34,022,861.

The County Manager reviewed the recommended budget in the context of historical recommendations and in relationship to the available fund balance. The total fund balance for the County is \$8,451,381 with 25% available for appropriation. The Manager cautioned that he expected over \$750,000 of fund balance to be expended from the current fiscal year and over \$400,000 from the next fiscal year. The Manager reviewed the revaluation process and stated that he expected the base to grow by 3% but again cautioned that this was a very preliminary number and that the appeal process to the Board of Equalization and Review had not yet started.

Next, the County Manager reviewed changes to revenues affecting the budget recommendation. The property tax was estimated to increase \$356,468 (2.18%) to \$16,706,344. The increase results from fully budgeting the 2010-11 levy and increasing the revaluation levy by 1%. The DSS Revenue (Intergovernmental Transfers) would increase \$227,257 or 3.68%. Sales tax would increase by 4% or \$178,967. The increase to fund balance functions as a revenue and is necessary in order to balance the recommended budget. Several revenues were recommended to decline including Register of Deeds fees, Interest Income and Facility and Court Fees.

The County Manager reviewed expenditure recommendations included in the budget. The recommendations included a number of items that the board had committed to during the 2010-11 fiscal year. These included the following:

Employee raise of 1.25% approved in September:	\$142,500
EMS Staffing for the Nebo Base Station:	\$26,989 (not total/new funds)
Payment for Ambulance/2010	\$40,881
Heart Monitors	\$30,414 (payment)
Match for Part F Trail Grant	\$78,500
Sheriff's Vehicles	\$29,306 (payment)
Sugar Hill Road/Water and Sewer	\$58,000 (payment)
New Dispatching Positions/upgrade	\$44,829
Water and Property Lease	\$39,185

In addition, other expenditure impacts included the following:

Increase to Retirement for Employee	\$54,400
Increase to Health Insurance (\$20.00 per month)	\$68,400
New Position in Assessing	\$33,435
Increase due to Fuel increases	\$83,500
Building and Grounds	\$60,000
Lift for Garage	\$6,000 (payment)

The County Manager next reviewed a number of concerns not addressed in the budget including holding funding for "external agencies" such as the school system. Funds for economic development projects were reduced. The revenues were all

recommended at levels that left little room for corrections if the economy did not improve or at least remain stable.

ADJOURNMENT

Several questions were asked regarding the expenditures that had been reviewed and the impact of revaluation. Chairman Walker asked each Commissioner to review the specifics of the recommendation and to call with questions. The County Manager reviewed a number of entities wishing to meet with the Board including various emergency agencies, the McDowell Mission, the School System and others. There being no further business the Board adjourned until it's Regular Meeting.

David N. Walker, Chairman

Charles R. Abernathy, Manager