

**State of North Carolina
County of Avery**

The Avery County Board of Commissioners held a Board Workshop on Thursday, February 9, 2017 at 9:00 a.m. in the Linville Room at Cannon Memorial Hospital, 434 Hospital Dr., Linville, NC. The purpose of the meeting was to discuss and take any action necessary regarding the following items:

1. Upcoming Budget
2. Capital Projects
3. County Facilities

Members Present: Martha Hicks, Chair; Blake Vance, Vice-Chair; Faith Lacey; Wood Hall Young, Jr.

Members Absent: Tim Phillips (illness)

Call To Order

Chair Hicks called the meeting to order at 9:14 a.m.
Wood Hall Young, Jr. led prayer.

Upcoming Budget

Tim Greene, County Manager, said that as advertised the Board would be discussing the upcoming budget; capital projects; and county facilities. This will be the Board's opportunity to talk about any priorities that you might have for the upcoming budget.

We are in the midst of the budget process. We sent out requests for five year capital plans to all the departments. We have sent out everyone's budget package. The department heads will fill out the request for each line item in their budget and then they will justify it. We will take the individual budgets and roll them into the county budget. We have the individual department heads come in and we will go over the budgets line by line and then based on their justifications we will set what we believe is needed for each department. At that point we will get the expense side done and then we will estimate all the revenues that we expect to bring in and all the salary updates that will be going on. After that we will fix up a proposed budget and provide all the commissioners a proposed budget. As commissioners you can change what you would like to change. We should have you a decent, reasonable budget. We will have around four budget workshops. We would like to hold the public hearing the first Monday in June.

Mr. Greene stated that the Board can talk about any priorities that they have that they would like to see in the budget. Right now this Board is looking at a new agricultural building, swimming pool and updating the high school.

Discussion regarding the EMS building. Wood Hall Young, Jr. stated that there needed to be renovation at the EMS building. Mr. Greene stated that he thought \$20,000 to

\$25,000 would help greatly in that building and that would be redoing the cabinets, new windows, painting the inside, and replacing the carpet other than in the hallway. Martha Hicks said the guttering needed to be fixed and make sure the roof is not leaking. Chair Hicks suggested that the commissioners go around and look at the condition of the buildings. Wood Hall Young, Jr. suggested that the county buildings needed to be on a schedule for painting, maintenance, etc.

Discussion regarding the condition of the existing swimming pool. Mr. Greene stated that the state has declared it obsolete. Chair Hicks suggested that if we can't open the pool we may need to work out something with the YMCA.

Discussion regarding the Agricultural Building. Wood Hall Young, Jr. suggested that we build the office part of the building with the intentions of building a community room and then in the same process take \$100,000 or so each year put in capital reserve and earmark for the rest of the project.

Recess for five minutes.

Chair Hicks declared the workshop to be back in session after a brief recess.

Tim Greene stated that what the Board needed to be thinking about is that we are short about 3 million dollars for both projects the way they stand now. Mr. Greene stated that there was 10 million dollars in undesignated fund balance. We do not want to go below 5 million dollars. Out of the 5 million that we have for projects, we would be spending 3 million for the two projects and that would leave us with 2 million left for the high school. This leaves us with 20% fund balance.

Discussion about adding hours to two part-time positions in the Veterans Office and Volunteer Avery so they could obtain health insurance. The County Manager was instructed to look into this and give a recommendation to the Board during the budget process.

Discussion regarding the veteran's monument. Wood Hall Young, Jr. said that he would like to see the Civil War, Revolutionary War, and Spanish-American War names added to the monument. Mr. Greene stated that there was a committee with VFW representatives on it. These names were not included on the previous monument. It was suggested that maybe a separate monument could be done.

Discussion regarding updating the high school. There were questions about the student population.

Discussion about the tax rate. Blake Vance stated that when we got our 2015/2016 audit this past year I was scratching my head because we appropriated 2.4 million dollars from fund balance and our position grew a little bit and I could not figure out how that happened. We somehow came out ahead. I sit down with the auditors and went over the audit extensively and if you will remember two years ago when we cut the tax rate I said we can't continue to do this. We cannot do this. When you are appropriating

money out of your fund balance to balance your budget, that is deficit spending. That is not a balanced budget. The reason we came out a little bit better was because our ad valorem taxes came in at \$860,000 more than what we budgeted because of \$400,000 in back taxes that was paid; sales tax came in \$660,000 above what we expected; public safety came in about \$554,000 under budget; jail came in under budget; environmental protection came in \$364,000 under budget and that is because we budgeted for a cell closure that we did not do so there is the 2.4 million dollars. Our auditor said we had a great year and we were lucky. It could have gone the other way. Mr. Greene stated that year in and year out we should have something left over at the end of the year. You really don't want it any other way. Mr. Vance stated that we cannot count on that for every year. We are leaking and we need to plug the hole. Mr. Greene stated that last budget year we cut the taxes 2.4 million dollars so we are in two years of that; we would have had 4.8 million dollars at the end of this year than we are going to have because of the tax cut. This is not over taxation it is taxing properly because we are saving hundreds of thousands of dollars in interest. Chair Hicks said that is one of the first things that she learned when she came on the Board and went to one of the meetings in Raleigh that you do not cut your tax rate.

Recess for lunch.

Chair Hicks declared the meeting to be back in session after a recess.

Mr. Greene stated that in year's past we submitted the budget and if it looked like there would need to be a tax increase we would leave it at fund balance at that point. If you all would like me to I can do a balanced budget and the tax rate to support it. Blake Vance said he did not want a budget that is not balanced. If it is \$500,000 to \$750,000 fund balance appropriation, that would be fine.

Discussion regarding the new swimming pool project.

Discussion regarding the agricultural building project.

Recess.

Chair Hicks declared the meeting to be back in session after a recess.

Discussion regarding surplus property. The County Manager will look into selling some surplus property.

Discussion regarding health insurance, HR position, other issues regarding the budget.

Adjourn

Motion by Blake Vance and second by Wood Hall Young, Jr. to adjourn this meeting at 2:40 p.m. Motion unanimously approved.

**Martha Hicks, Chair
Avery County Board of Commissioners**

ATTEST: _____
Cindy Turbyfill, Clerk