

**STATE OF NORTH CAROLINA
COUNTY OF AVERY**

The Avery County Board of Commissioners met in a Budget Workshop on Wednesday, April 29, 2015 at 9:00 a.m. in the Commissioners Board Room, Avery County Administrative Complex, 175 Linville Street, Newland, NC. The purpose of the meeting was to discuss the Fiscal Year Budget 2015/2016 and to discuss and take any action regarding the Veteran's Memorial.

Members Present: Robert "Reo" Griffith, Chairman; Maxine Laws, Vice-Chair; Martha Hicks; Faye Lacey; Blake Vance

Members Absent: None

Others Present: Veterans from Avery County

Call to Order

Chairman Griffith called this meeting to order at 9:00 a.m.

Veteran's Memorial

Martha Hicks handed out pictures for the board members and the veterans present at the meeting to show them examples of some of the veteran's memorials in different areas. Ms. Hicks explained she and Georgia Henry, Veteran's Officer had been to Elizabethton, Burke County, and Marion to look at the veteran's memorials in these areas.

Chairman Griffith instructed the clerk to make copies of the pictures to give to Kevin Holden and he will talk to veterans and get their opinion and get back with the clerk. The board will review the pictures and then get down to the dollars and cents. We will get the county manager on board to get the plan in action. Blake Vance stated that he would like to go in search for private money or grants.

FY Budget 2015/2016

Chairman Griffith stated at the last budget meeting he had proposed one way of a tax rate decrease and I had asked the other members to do the same. Blake Vance stated that he had looked and looked and talked to the County Manager and was not able to find a whole lot unless the budget is just aggressively cut. We had asked last week a little more time to look over what the fire commission was asking for and I found out that the extra investment they were asking for would save the county over 20 years about \$35,000 and I don't think it is worth laying that much money out right now and I would be in support of leaving the fire commission at \$2.347 million. Chairman Griffith stated that he did not think there would be additional dollars for the fire commission.

Chairman Griffith stated that for the past several years Avery County has had excess money or "fat" in its budget. According to the audit last year, the county had 1.8 million dollars left in that year's budget after the county paid its expenses. This is the taxpayer's money and it needs to be returned. We need a substantial tax rate reduction of at least 8 cents. We have a county manager that serves the board and this morning you will have a specific order of what to do. I have three points. 1) Use 1.4 million of the counties savings of what some refer to as a capital fund balance to pay on the debt on the schools. 2) Identify money in salaries and benefits that are not being paid and remove these from the budget. 3) Identify money in other areas where the departments are not spending their entire budget and reduce that extra money by 75%. We can reduce the fat in the budget and stop stockpiling it. This should not affect the services that the citizens are provided but will result in the taxpayers receiving a lower tax property rate.

Faye Lacey stated that at this time she agreed with what Chairman Griffith was saying. She said also that if we have excess property that is not being used that we need to sell it.

Maxine Laws stated "I agree with what you are saying, I want to understand one thing real clear for me. When you are talking about removing the 75% of the fat or excess or whatever doing that we are not going to endanger jobs or benefits for our county employees?" Chairman Griffith said at this point in time this is not effecting operations this is money being rolled over at the end of each budget year. Maxine Laws questioned "This is not going to hurt their standings in any department?" Chairman Griffith said "Correct.". Maxine Laws stated "Then I agree with what you have said because I do want to see a tax cut but I did want to make sure on that point because we have hardworking people in the county and they shouldn't be hurt."

Martha Hicks said "I still think that we have some capital projects that we need to look at. I think we do have some money and I think we need to go back and consider some of this in the capital fund. I am not for totally taking out all of the money in the capital fund. I have looked at the Agricultural Extension building and something has to be done. We are going to have to start looking at the Wright property or pay that back. I agree if we can cut taxes without cutting services, I say cut taxes. I will say that if you cut

the taxes too low then you may have to come back next year and raise it back up. Every year less and less will be coming in.”

Blake Vance stated “I am going to hold to my position. According to the School of Government we will have a legally defined capital reserve fund because the courthouse project is still ongoing. In 3-5 years the capital money is going to be gone and we are still not going to be out of debt and we will have to put debt service back in the budget. I think it is unwise to go down this road.”

Chairman Griffith said that this plan is for the immediate budget. Mr. Vance said we can't look at the budget just this year we have to look on down the road. I want to be very clear that I am thinking about the taxpayer but I am thinking past this year. If this is a one-time thing, then we have an \$800,000 debt service next year where is it going to go, is it going to roll back into the budget; where are we going to get that money? I am looking down the road. I am looking at the long term.

Chairman Griffith said the only resolution for the capital reserve fund that is current is the money that we considered for the front end loader and for the high school sewer project.

Tim Greene, County Manager, stated that one of the duties of the manager is to prepare and submit the annual budget. Currently, we have a budget that is balanced at the current tax rate. One of my obligations is to give you the best and most complete information for you to make the decision that you can make. I will give some advice. There was discussion about the capital reserve fund. You want something left over at the end of the year because if you don't you are in danger of overspending. This is easier said than done. I have attempted to do that. That is not to say that we can't do more. Going through the budget process we go line by line and we set it at what we think is the suitable thing for the department. This money is made up of numerous line items. If we tighten it up, there may be some budget amendments that could be required at the end of the year.

Chairman Griffith stated that he had put his three suggestions on the floor for a tax rate decrease. No one else has put a suggestion on the floor. My three bullets are:

1. Use 1.4 million dollars of county savings which I am talking about capital reserve to pay on the debt services to schools.
2. Identify money in salaries and benefits which are not being paid and remove from the budget.
3. Identify money in the other areas where the departments are not spending the money and cut by 75%.

Chairman Griffith asked for a consensus vote on the three bullets that he presented.

Reo Griffith; Maxine Laws, Martha Hicks; Faye Lacey in favor of bullet #1. Blake Vance against.

There was unanimous consensus on bullet #2 and bullet #3.

Chairman Griffith said the goal was to have the public hearing on the budget the first meeting in June. These cuts that a majority of the board has consented to gives the manager specific directions on what to do. This is not saying that this is going to be all of the cuts.

Chairman Griffith said that the “big three” would now be discussed. The Fire Commission will be left at 2.357 million with no extra money by consensus of the board. The Sheriff's budget will be left at 2.121 million by consensus of the board. This is not what the Sheriff requested but this has been cut by the County Manager and has been reduced lower than last year's budget. The School Board has requested an increase of \$379,000. Consensus of the board to fully fund the Avery County School System.

Mr. Greene stated that he had some items in the budget that he wanted to make the Board aware of. Mr. Greene explained that the “Special Appropriations” are usually put in the budget with the previous year's request. Mayland is put in the upcoming budget at what they received in last year's budget. Toe River Health District was bumped up a little bit because Mitchell and Yancey are funding what they requested.

Mr. Greene stated that after Robbie Willis, Recreation Director, and he had went through the budget that he had asked Robbie to look at the hours of operation at the rock gym. We have to budget money for part time workers and the gym attendant. What I wanted to do is to have the full time staff do the work and not pay a gym attendant to help keep the gym open. It may be that we want to lessen the hours of the gym. He came back and I have incorporated this into the budget. He said that they can do that. In total we have tightened up on the part-time salaries. The gym is open currently until 9:00 p.m. Monday thru Thursday, Wednesday until 8:00 p.m., closed Saturday and open Sunday 2:00 until 5:00 p.m. For our full time staff to keep the gym open and do the other duties, they would have to close the gym at 7:00 p.m. in the evening and close completely on Sunday if you want to consider this. I have changed this in the budget so I wanted you to be aware of this. Blake Vance said he had some complaints about this

already. Mr. Greene said I wanted the Board to be aware that this is already included in the budget and if the budget is voted on it will be included.

Another item is if we want to have the budget hearing on the first Monday in June we are going to have to have everything completed by the 15th of May.

The next budget workshop will be Thursday, April 30, 2015 at 9:00 a.m.

Chairman Griffith adjourned the budget workshop at 10:45 a.m.

**Robert "Reo" Griffith, Chairman
Avery County Board of Commissioners**

ATTEST: _____
Cindy Turbyfill, Clerk

