

**STATE OF NORTH CAROLINA
COUNTY OF AVERY**

The Avery County Board of Commissioners met in a Budget Workshop on Thursday, May 9, 2013 at 2:00 p.m. in the Commissioners Board Room, Avery County Administrative Complex, 175 Linville Street, Newland, NC.

Members Present: Kenny Poteat, Chairman; Glenn Johnson, Vice-Chair; Phyllis Forbes; Reo Griffith; Martha Hicks

Members Absent: None

Call To Order

Chairman Poteat called the meeting to order at 2:05 p.m.
Glenn Johnson led prayer.

FY 2013/2014 Budget

Tim Greene, Finance Director, stated at this meeting we give out the budget information and highlight a few things and then at the next meetings the Board will come back and ask questions that they have regarding the budget. Usually we walk in with a balanced budget at this first meeting; we didn't last year and we have not this year. At first I thought we would be within "striking" distance this year. Most of the departments do a good job requesting and only requests what they really need. We know where the fluff is usually and we cut that out. At this stage it is what the Board's priorities are and what they want to fund. It comes down to raising taxes, making cuts or a combination of the two.

Our job is to meet with the departments and cut what is not necessary. We did put in everyone's request at 100% and then we project the revenue and see where we are at. After we did that, we were 2 million dollars apart. I went through every department and every special appropriation and cut out over \$260,000 operational requests and cut out over \$860,000 of capital requests. Some of those were good things that I cut out.

One change in the revenue was the collection rate. Year in and year out I have put in 96% collection rate and the last 2 years we had put it down to 95% because of the new collector and it so happened that this past June 30, 2012 we had 96% collection rate so I bumped it up to 96% this year and it gave us \$164,000. We are still \$739,462 short which would equate to 1.68 cents on the tax rate. Avery County School is in at last year's numbers. There are no new allocations added to this budget which would be Drug Court. We told them from the start that we would not be able to continue to fund drug court. There is a sheet in the budget packet that shows some of the other requests that were not funded.

Martha Hicks said if the Board did not help fund the drug court that we would be paying anyway because drug court attendees will be sent to the jail and we will be paying there also. Chairman Poteat stated that drug court was asking for \$20,000 but in his opinion he felt that \$10,000 would be adequate.

Mr. Greene said that expenses were up \$669,000 from last year and revenue down about \$71,000. Total salaries are up \$75,000 and that is primarily for step increases. The assistant finance director position is included in this budget. I will lobby for this position. Phyllis Forbes commented that this is a smart thing to do with the fact that Robert has been sick and Tim has had to carry Robert's load and do the budget himself. Anyone can get sick or accidents happen, if Tim goes out who can do what Tim is doing; no one. With putting that position in because of the drop in other salaries through attrition, the salary budget would basically be the same.

Mr. Greene stated that the county medical insurance is up \$356,000 from last year. The unemployment insurance has changed. The county does what is called direct reimbursement for unemployment. The state is changing the process and the county has to build up a reserve and in our case it looks like about \$50,000 plus we are going to have to pay from the prior year and we will have double this year to get this in place. General liability is an extra \$21,000 and worker's compensation is \$19,000. We have about \$43,000 of jail maintenance contracts and we need them. This includes HVAC, security equipment, etc but if you don't have maintenance contracts on these it will be even more expensive. These figures are not adding any new service to the county. We may have to kick in \$275,000 into the medical insurance pool for this year. Last year after we went through the budget process in mid June we were informed that the stop loss carrier had placed a laser on an employee. We did not have that budgeted in the insurance money. If you are partially self insured and they do a laser, if that amount of money is not spent then we keep it. Glenn Johnson stated that we need to look at the options as to whether to be partially self-insured or fully insured.

Discussion regarding the salary study plan. Mr. Johnson stated that we know that our employees are underpaid. He questioned how much the salary study plan would cost. Mr. Greene said to fully implement the salary plan would be over half million dollars.

There was a brief discussion regarding the tentative budget notebook. Mr. Greene explained each tab in the notebook.

Reo Griffith reminded the Board that these are “hard economic times” for the taxpayers of Avery County.

The next budget meeting will be Monday, May 13, 2013 at 5:30 p.m. with the Avery Fire Commission; Avery Sheriff’s Office and Avery County Board of Education. The Board will not make any decisions at the next meeting; it will just be a time to listen.

Adjourn

Motion by Martha Hicks and second by Reo Griffith to adjourn this meeting at 4:09 p.m. Motion unanimously approved.

**Kenny Poteat, Chairman
Avery County Board of Commissioners**

ATTEST: _____
Cindy Turbyfill, Clerk