

MINUTES OF THE MEETING OF THE BOARD OF COUNTY COMMISSIONERS HELD AT THE RUTHERFORD COUNTY OFFICE BUILDING IN THE AUDITORIUM ON JUNE 13, 2011 AT 9:00 A.M.

**PRESENT: CHAIRMAN WILLIAM ECKLER
VICE CHAIRMAN JULIUS OWENS
SUSAN CROWE
EDDIE HOLLAND
ROGER RICHARD**

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CALL TO ORDER

Chairman Eckler called the meeting to order.

TRANSIT ADMINISTRATION/APPOINTMENTS

Commissioner Richard moved that Sandra Miller, Joshua King, Patsy Wilson, and Phillip Melton be reappointed to the Transit Administration. There was a unanimous vote of approval.

REFUNDS BONDS/FINANCIAL RATING

County Finance Director Julie Scherer told the Board that the county had participated in ratings reviews over the past several days due to the upcoming planned issuance of refunding bonds. She shared the ratings with the Board which confirmed previous ratings. The rating from Fitch was A+, and the rating from Moody's was A1. Both agencies had stated that the fund balance level is a major factor which affected the county's ratings positively.

BUDGET 2011-2012

County Manager John Condrey provided information on budget items that had been discussed previously. His recommendation was that the Sheriff be given the flexibility to reduce line items in his total budget which was \$8,476,046 to fund the part time salaries in Communications (\$8,000) and the Helicopter Expense (\$5,000.) He also recommended that arrangements be made to staff the Register of Deeds when part time help is needed by staff from other departments and using the Register of Deeds' staff person who works in the back office. Mr. Condrey reported that there are 57 users on the Chimney Rock sewer line. Commissioners had discussed putting a fee on those users.

A report was provided to the Board regarding questions which they had about vehicle maintenance. Public Works and Planning Director Danny Searcy had issued a vehicle checklist which must be used by each department that has a vehicle assigned to that department. Information regarding tire mileage and purchases of tires was also provided.

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Finance Director Scherer provided information on the purchasing of office supplies such as copy paper. Their office will attempt to consolidate purchases for these items.

Vice Chairman Owens asked that equipment be purchased that will use the same toner so that a savings could be realized. Finance Director Scherer said Information Technology approves the purchases of computer equipment.

Finance Director Scherer and County Manager John Condrey presented an Excel spreadsheet which Commissioners had used in the past to use as a straw poll to determine a final budget and reviewed information and instructions regarding it.

Commissioner Crowe said she had spoken with Senator Debbie Clary regarding a Rural Center Grant which could fund the replacement of lines in the Cliffside Sanitary District so that the Town of Forest City would assume ownership of this system. Forest City which would be the grant applicant had indicated that before they would take over the system, all lines would have to be replaced. County Manager Condrey said he had talked with Engineer David Odom about this but no figures had been received at this point. However, Mr. Condrey did caution that this would be extremely long line, and because of the limited amount of waste, the waste might remain in the line for extended periods of time. There could be issues with this.

Chairman Eckler asked about requests for equipment which appeared to be duplicated. Information Technology Director said all equipment requests made by departments are included on the spreadsheet provided to the Board, but the sheet also lists the items that were recommended.

The Chairman also asked about the cost of some equipment to which IT Director Owens said the purchases are made as cheaply as possible, but some machines do require additional peripherals and additional configurations.

Finance Director Scherer presented a revised Travel Policy which she pointed out covered all fulltime elected officials and the County Manager who receive travel allowances. She had received information from several other counties which are using this policy.

Commissioner Crowe asked about family members traveling in county vehicles. County Manager Condrey advised that the county insurance policy does cover this if approved by the county.

Chairman Eckler asked that Commissioners provide information on their questions regarding the budget.

Vice Chairman Owens presented his goals which were:

- Reduce expenditures and not raise taxes
- Spend limited resources wisely
- Spend money locally when possible
- Spend no Fund Balance
- Borrow no money
- Fund all agencies to a maximum funding limit of the FY 2010-2011 budget

- Eliminate furlough days to provide better service to citizens but lower personnel costs by instituting across the board pay reductions in conjunction with possible mandatory contribution increases from employees for their own health and retirement benefits.

Areas of concern for Vice Chairman Owens were:

- Tax revenues will fall short of estimates in Gray Rock and Queen's Gap
- There will be a continuing decline in property tax collections
- Fees will continue to decline across the board
- Sales tax revenues will continue to decline

Vice Chairman Owens also pointed out that DSS has a projected increase of \$410,552, but the figures given the DSS Board was an increase of \$327,599 over FY 2010-22. There is an estimated loss of \$270,121 due to changes in garnishment and motor vehicles collections, there is an estimated loss of \$221,430 due to changes in personal property listings based on an estimated personnel property value of \$3,331,000, there is a recommended increase of \$173,000 in the cost of health and dental insurance, the possible loss of \$836,562 due to miscalculations in retired employee benefits is still present, there is a recommendation to include \$1.25 million in fund balance in the FY 2011-12 budget, there is a possibility that the school capital fund could reach a negative balance of \$1.5 million before the end of FY 2013-2014 or possibly \$3.4 million if the county's share of lottery revenues is reduced from 40% to 60% in the current state budget, Rutherford County schools have asked for an increase of \$402,338, and there are potential federal cuts to Transit. The total of these possible liabilities not included in the current recommended budget varies from a low of \$2,078,113 to a high of \$3,018,113.

The Vice Chairman asked about the current interest rate that the county is receiving for the portion of the fund balance that is proposed to be spent. Ms. Scherer said current cds are receiving 1.13% and 1.17%.

Vice Chairman Owens stated his concern about furlough days that county employees must take and said this meant citizens were at a disadvantage on those days. County Manager Condrey advised that employees could pick specific days to use as furlough days which would eliminate closing departments.

Ms. Scherer asked if Vice Chairman Owens desired to find funds elsewhere if he preferred not to borrow funds. He replied that this was his idea.

Commissioner Crowe pointed out that the schools are not receiving the increase which they had requested but they would be paying landfill fees. She believed that an indication had been given to the schools that they would not be expected to pay these fees.

Commissioner Holland asked that the Board consider funding a Henrietta EMS station. He pointed out that the land is available. He also asked for consideration of the improvements to the Frank West park.

Commissioner Richard recommended that the Board go over the the Departmental Information Book. Departments could be requested to appear before the Board if there was questions. The Board agreed to provide spreadsheets with options they preferred to the Finance Department. This would then go out to Board members so areas of concern could be determined.

Ms. Scherer asked for clarification regarding the funding for county departments proposed by Vice Chairman Owens. He elaborated that funding would remain the same as was funded in the 2010-2011 budget. If costs rise such as insurance, other line items would need to provide this funding.

Commissioner Crowe asked about reducing funding to the water and sewer fund since Broad River had indicated they would not be considering any projects due to upgrades at their plant. Ms. Scherer advised that the 7% of funds set aside for this is used for financing of existing projects. Also, there are other water and sewer providers that will be making requests.

RECESS

10:45 A.M. - Recess
10:58 A.M. - Reconvene

CLOSED SESSION/PERSONNEL/N.C.G.S. 143-318.11(a)(6)

A motion was made by Commissioner Richard to go into Closed Session for PERSONNEL/N.C.G.S. 143-318.11(a)(6). The vote of approval was unanimous.

10:58 A.M. - The Board went into Closed Session.
11:27 A.M. - The Board returned to regular session.

**COUNTY MANAGER/RESIGNATION/BUDGET AMENDMENT/INTERIM COUNTY
MANAGER/APPOINTMENT**

Commissioner Richard moved the Board accept the resignation of County Manager John Condrey who had resigned effective June 30, 2011 pursuant to the Board's request and that he receive the compensation due pursuant to the terms of his contract dated June 13, 2000 and as amended February 4, 2002. The motion was seconded by Vice Chairman Owens and the vote was:

Ayes: Commissioners Eckler, Owens, Crowe, and Richard.
Noes: Commissioner Holland

Commissioner Crowe moved the approval of a budget amendment in the amount of \$41,800 as a result of the termination of an agreement with County Manager John Condrey. This would be paid from fund balance. There was a second by Commissioner Richard. The vote of approval was unanimous.

Commissioner Richard moved that Chairman Eckler be named as Interim Manager effective July 1, 2011.

Commissioner Crowe asked about compensation for the role of County Manager. County Attorney Miller said this should be separate compensation from that of County Commissioner, and the Board would need to consider how to handle this.

The vote on Commissioner Richard's motion was:

Ayes: Commissioners Eckler, Owens, Crowe, and Richard.

Noes: Commissioner Holland

Commissioner Richard suggested that the Board discuss bringing forth names to serve as Interim County Manager for an extended period which would give the Board adequate time to search for a County Manager. When Chairman Eckler suggested that the names be submitted by the July 11 meeting date, Finance Director Scherer asked that this be postponed until after that date so that the refinancing could take place with Chairman Eckler as Interim Manager. Chairman Eckler assured that he would be in place as Interim County Manager for the refinancing.

ADJOURNMENT

The Board voted unanimously to adjourn the meeting after a motion was made by Commissioner Richard.

11:38 A.M. - Adjourned.

Chairman, Board of Commissioners

Vice Chairman, Board of Commissioners

Attest:

Clerk, Board of Commissioners