

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF COUNTY COMMISSIONERS HELD AT THE RUTHERFORD COUNTY OFFICE BUILDING IN THE COUNTY COMMISSIONERS' MEETING ROOM ON JUNE 23, 2011, AT 9:00 A.M.

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

CALL TO ORDER\ APPROVAL OF AGENDA

Chairman Eckler called the meeting to order.

Commissioner Richard called for a point of order. He asked that no items except those that appeared on the original agenda for the meeting be considered by the Board. He stated that any information received after the agenda was distributed was untimely and out of order. He further stated that he would ask to be recused from voting on any items other than the regular agenda items.

Commissioner Crowe asked to remove from the agenda the appointment to the ICC Board of Trustees.

The agenda as amended was approved by consent.

BUDGET AMENDMENTS

Ms. Scherer of the Finance Department presented the budget amendments.

Commissioner Richard made a motion to approve the budget amendments. Commissioner Crowe seconded the motion. The motion was unanimously adopted.

	Expense	Revenue
GENERAL FUND		
Governing Body - Professional Services (Bechtler Surveying)	\$ 800	
Sale of Trees - Lumber *surveying costs for road; lumber will be sold to offset these professional surveying charges		\$ 800
Project Lifesaver	\$ 20	
Project Lifesaver Donations *donations received		\$ 20

Minutes of Rutherford County Commissioners' Special Meeting on June 23, 2011

	Expense	Revenue
Animal Shelter Professional Services - Veterinary	\$ 5,000	
Adoption Fees * To appropriate funds for vet professional services due to animal adoptions.		\$ 5,000
EMS Fuel	\$ 4,800	
EMS Vehicle Maintenance	\$ 3,000	
EMS Medical Supplies	\$ 2,500	
Fund Balance Appropriated * To appropriate funds due to increase in diesel fuel prices; additional vehicle maintenance needed (rotors replaced on two trucks) and age of vehicles; increased medical supply costs due to call volume and fuel prices.		\$ 10,300
Soil & Water - Rutherfordton Elem School Project	\$ 2,500	
Soil & Water - Chase Middle School Project	\$ 2,500	
NC Foundation for Soil & Water Conservation Grants *grants received to create Outdoor Environmental Learning Centers at the schools		\$ 5,000
Maintenance - Vehicle Maintenance	\$ 8,319	
Sheriff - Vehicle Maintenance	\$ 63,483	
Insurance Claims & Dividends *insurance proceeds for hail damage. Balance of any remaining funds at June 30th will be reappropriated in FY11-12		\$ 71,802
DSS FUND		
TANF - Professional Services - Job Boost	\$ 43,200	
TANF - Job Boost Program Expenditures	\$ 432,000	
TANF Job Boost Admin Reimbursement		\$ 43,200
TANF Job Boost Program Reimbursement *Additional TANF Job Boost Funding Authorization Received; See attached information from DSS Director		\$ 432,000
DSS Vehicle Maintenance	\$ 18,922	
Insurance Claims & Dividends *insurance proceeds for hail damage. Balance of any remaining funds at June 30th will be re-appropriated in FY11-12		\$ 18,922
TRANSIT FUND		
Transit Rutherford Life Services Revenue		\$ 6,250
Transit Part time Salaries	\$ 2,550	
Transit Operations	\$ 7,000	
Transit Local Share Capital * Budget Amendment for Transit to reflect higher revenues and overages in part time salaries and vehicle fuel, tires, and maintenance due to increased fleet.	\$ (3,300)	

GRANT/ARRA FUND		
Energy Grant - Communications HVAC Energy Grant - County Lighting Retrofit *line item transfer within grant project; request has been approved by the State; Total Grant Revenues are \$209,175 and energy incentives of \$19,470. Other leveraged funds are in-kind.	\$ 4,662 \$ (4,662)	
DEBT SERVICE FUND (FY11-12)		
School Lottery Funds		\$ 360,730
School ADM Funds		\$ 3
Fund Balance Appropriated - Schools * To request Lottery and ADM revenues for School Debt Service. Application to the State will be sent following Commissioner and School Board approval in June; however, due to timing, this budget amendment will be recorded for FY11-12 since it will be July when the revenues will be available.		\$ (360,733)

TRAVEL POLICY

Commissioner Richard made a motion to table the Travel Policy.

Commissioner Holland made an amendment to the motion which was to table the Travel Policy and consider it at the July meeting. The amendment was approved on a 4-1 vote, with Commissioner Richard voting against the amendment.

The motion as amended was unanimously adopted.

2011-2012 BUDGET

Each one of the Commissioners had prepared a proposed budget, and their budget numbers were entered into columns on a computer worksheet alongside the recommended budget prepared by county staff. Each of the Commissioners presented and discussed their recommendations.

Chairman Eckler outlined a series of proposals to move funds out of designated accounts into the General Fund. He explained that once transferred into the General Fund, these would be treated as discretionary funds that the Commissioners could consider at any time. They could be used for their original designated purpose if the Commissioners approved that use. The funds that he proposed be moved into the General Fund were from the Water and Sewer Fund, 401K contributions, building fund contingency, and Cliffside Sanitary funds.

Chairman Eckler presented a salary reduction plan drawn up by Commissioner Crowe based on a scale that moves with salary level. The three furlough days for county employees had been removed.

Commissioner Crowe said that due to the additional five days of school that the state is mandating and the resulting costs that the schools will have to assume, she would like for the Commissioners to include in the budget some of the funds for extra fuel cost that the schools had requested. Schools Superintendent Janet Mason said that buses would have to be run and meals would have to be provided for the additional five days. She said there is a possibility that the School Board would be able to apply to the state for a one-year waiver.

Vice Chairman Owens had talked with the DSS Director and on the basis of that conversation wanted to reinstate the recommended expenditure for mandated programs.

Vice Chairman Owens reported that the Sheriff had agreed to purchase cars for his department out of 911 funds, to reduce his request for cameras by using some 911 funds, and to reduce the request for the repeater at the jail.

Vice Chairman Owens wanted to continue with the adjustment in the 401K, saying that it could be added back depending on revenues. He also wanted to remove the 5% pay reduction.

The budget numbers presented by Vice Chairman Owens also removed all EMS equipment except for 5 cardiac monitors and reduced IT equipment by half.

Commissioner Richard added the tipping fee back to the budget of the college and removed the 5% pay reduction.

Commissioner Holland stated he wanted to go with the budget that was prepared by county staff.

Following a brief recess, the Commissioners proceeded to go over the budget line by line. For decisions that had been reached on items at the meeting on June 16, 2011, and where the numbers indicated a consensus, the Commissioners were in agreement. Where there were divergent numbers, the Commissioners took a vote on the individual items.

Commissioner Crowe made a motion to add items to the school budget, making the total \$12,271,014. Commissioner Richard seconded the motion. The motion was unanimously approved.

Commissioner Richard made a motion to add \$3,000 for tipping fees to the allocation for ICC. Commissioner Crowe seconded the motion. The motion was unanimously approved.

Commissioner Richard made a motion to decrease the 401K contribution to 3.25%. Commissioner Crowe seconded the motion. The motion was approved on a 3-2 vote, with Chairman Eckler, Commissioner Crowe and Commissioner Richard voting in favor, and Vice Chairman Owens and Commissioner Holland voting against.

Vice Chairman Owens made a motion to include the three furlough days in the budget, saying that county employees he had talked to were receptive to them. Commissioner Holland seconded the motion. The motion failed on a 2-3 vote, with Commissioner Holland and Vice Chairman Owens

voting in favor, and Chairman Eckler, Commissioner Crowe and Commissioner Richard voting against.

Commissioner Richard made a motion to remove all furlough days from the budget. Commissioner Crowe seconded the motion. The motion passed a 3-2 vote, with Chairman Eckler, Commissioner Crowe and Commissioner Richard voting in favor, and Vice Chairman Owens and Commissioner Holland voting against.

Commissioner Crowe made a motion to approve the graduated pay reduction schedule which she had presented. Commissioner Richard seconded the motion.

Finance Officer Scherer asked that the pay reduction go into effect with the August paychecks. The Board was in favor of the request.

The motion was passed a 3-2 vote, with Chairman Eckler, Commissioner Crowe and Commissioner Richard voting in favor, and Vice Chairman Owens and Commissioner Holland voting against.

Commissioner Crowe asked that Roger Hollifield comment on the budget for Code Red. Mr. Hollifield stated that Forest City has suspended its funding for Code Red and will be getting its own system, but that until that system is in place the Code Red will continue to be county-wide and that he was requesting \$3,000 to make up for the loss of the Forest City contribution.

Commissioner Crowe made a motion to approve an additional \$3,000 in Code Red maintenance expense. Commissioner Richard seconded the motion. The motion was unanimously approved.

Chairman Eckler read three recommendations from the Tax Committee, as follows:

1. To repeal the Commission's decision to cease sending tax bills when the amount owed is less than \$5.00 and to adopt a substitute policy that tax bills should not be sent when the amount owed is less than \$3.00.
2. To maintain the Commission's decision to delay garnishment for unpaid taxes on motor vehicles until such time as taxes are delinquent past the license plate expiration date.
3. To repeal the Commission's decision to cease listing personal property on tax listing forms based on the information provided on the prior year's form.

Commissioner Richard made a motion to adopt the recommendations from the Tax Committee. Commissioner Crowe seconded the motion.

Commissioner Holland said he did not agree with the change in collection of vehicles taxes, noting that this is money that could be coming in at a time when employees' salaries are being reduced. Chairman Eckler said that the change would only result in a delay in tax collection that would be regained in a few months time.

Finance Director Scherer advised that a formal resolution would need to be passed to enact changes in tax collection procedures. Manager Condrey said a resolution could be put on the July 11 meeting agenda.

The motion to adopt the Tax Committee recommendations passed on a vote of 4-1, with Commissioner Holland voting no.

Commissioner Richard made a motion to repeal the \$5 and place the new number at \$3. Commissioner Crowe seconded the motion. The motion was unanimously approved.

Finance Director Scherer itemized the capital items remaining in the budget. She reviewed each of the other items that had been approved in the budget and recited the amounts for each item.

Commissioner Crowe made a motion to approve the recommendations from Chairman Eckler to transfer amounts of money from various restricted funds to be classified as contingency funds in the General Fund, with the expenditure of such funds to be approved by the Commissioners as budget amendments before being spent. Commissioner Richard seconded the motion.

Vice Chairman Owens asked for discussion of the motion because of the impact it would have on the water and sewer fund. Manager Condrey and Finance Director Scherer said that the depletion of funds would result in no new water and sewer projects. Vice Chairman Owens asked how that might impact a prospective new industry and Ms. Scherer said that only General Funds would be available to pay for any new water and sewer requirements. Vice Chairman Owens was in favor of leaving the water and sewer funds intact. Commissioner Holland said he had confidence in county management which was illustrated in the high credit rating the county has, and said that water and sewer projects are important to the county.

The motion was passed a 3-2 vote, with Chairman Eckler, Commissioner Crowe and Commissioner Richard voting in favor, and Vice Chairman Owens and Commissioner Holland voting against.

After a brief recess, the Commissioners considered the recommended budgets for funds coming from outside the county's own revenue sources.

Commissioner Richard asked that he be recused from voting on these budgets, in accordance with the point of order he had raised as the beginning of the meeting. Commissioner Crowe seconded his motion to recuse Commissioner Richard. The motion was approved unanimously on a 4-0 vote, with Commissioner Richard recusing himself.

Commissioner Crowe made a motion to approve the TDA budget of \$734,064. Commissioner Holland seconded the motion. Finance Director Scherer noted that the adjustment in salaries approved by the Commissioners earlier in the meeting may result in a minor decrease in the budget. The motion to approve the TDA budget was unanimously approved on a 4-0 vote, with Commissioner Richard recusing himself.

Vice Chairman Owens made a motion to approve all the remaining budgets for outside funding that included 911 Fund, Register of Deeds Automation Fund, Grant Funds, ICC Capital Projects Fund, Debt Service Fund, County/Water and Sewer Capital Projects Fund, Transit Fund, Solid Waste Fund, and TDA Fund. Commissioner Crowe seconded the motion. The motion was unanimously approved on a 4-0 vote, with Commissioner Richard recusing himself.

Commissioner Crowe made a motion to approve the tax rates and budget requests for the Special Districts with the stipulation that the Cliffside Sanitary District only include the tax rate. Vice Chairman Owens seconded the motion. The motion was unanimously approved on a 4-0 vote, with Commissioner Richard recusing himself.

Vice Chairman Owens made a motion to approve the recommendations of the grant committee for the awarding of grants from the Mental Health funds to mental health providers serving Rutherford County. Commissioner Crowe seconded the motion. The motion was unanimously approved on a 4-0 vote, with Commissioner Richard recusing himself.

Vice Chairman Owens made a motion to approve \$569,359 in the budget for purchase of capital equipment. Commissioner Crowe seconded the motion. Finance Director Scherer reported on the difference in the impact on the fund balance of lease purchase compared to cash purchase. The motion was approved on a 4-1 vote, with Commissioner Holland voting no.

Attorney Miller clarified that the motion as approved was to appropriate the funds in the budget and not for the actual expenditure of funds: The purchase of each capital item will have to be approved by the Commissioners through the purchasing procedures of the county.

Commissioner Crowe made a motion to approve the special appropriations, excluding Cliffside Sanitary District. Commissioner Richard seconded the motion.

The Commissioners raised questions about the operations of the rescue squads, including use of vehicles, mileage and fuel costs, and certification of volunteers. Finance Director Scherer said county staff could put a reporting procedure in place that would address those questions. EMS Director Pettus pointed out some of the challenges faced by organizations that operate with volunteers and said that he feels everyone is making progress in working together. Vice Chairman Owens asked whether a standard operating procedure would help make the units accountable for the money they receive from the county and provide some oversight from the EMS Director's office. Mr. Pettus said that because they are independent private nonprofit organizations, they retain control over their own management operations.

The motion was approved on a 4-1 vote, with Commissioner Holland voting no.

Finance Director Scherer provided a recap of the budget, with the stipulation that some numbers will change in the final budget document due to changes in DSS revenue and other items.

Commissioner Richard made a motion to approve the 2011-2012 budget as a whole allowing for changes to be made by the Finance Office to arrive at accurate amounts. Commissioner Crowe seconded the motion.

Commissioner Holland stated that there are several sections of the budget that he did not agree with and that for that reason he would not vote to approve the budget as a whole.

The motion was approved on a 4-1 vote, with Commissioner Holland voting no.

(A copy of the budget ordinance is typed in the Minute Book.)

AMERICAN TRANS-MED

Commissioner Richard made a motion to schedule and advertise a public hearing at the Commissioners' July 11 meeting on the proposed franchise request from American Trans-Med. Commissioner Crowe seconded the motion.

Vice Chairman Owens said that he would like to hear recommendations from the county attorney. Commissioner Holland believed the matter should be carefully studied because of the potential impact on income to the county.

The motion failed on a 2-3 vote, with Commissioner Crowe and Commissioner Richard voting in favor, and Chairman Eckler, Vice Chairman Owens and Commissioner Holland voting against.

APPOINTMENT EDC BOARD

Commissioner Richard nominated Margaret Helton to serve on the Board of the Economic Development Commission in place of his previous appointment, who cannot serve. Commissioner Crowe seconded the motion. The motion was unanimously approved.

COUNTY MANAGER SEARCH

Chairman Eckler asked Human Resource Director Judy Toney to outline the procedures for the county manager search. She said that the standard procedures, which she described, will be followed with two major changes, (1) that the search will be conducted statewide and (2) that the County Commissioners will act as the search committee to interview candidates and make the selection of the person to be hired.

ADJOURNMENT

Commissioner Richard made a motion to adjourn. The motion was unanimously approved.

Meeting adjourned at 12:16 P.M.

Chairman, Board of Commissioners

Vice Chairman, Board of Commissioners

Attest:

Clerk, Board of Commissioners