

**MINUTES OF THE MEETING OF THE BOARD OF RUTHERFORD COUNTY COMMISSIONERS  
HELD AT THE RUTHERFORD COUNTY OFFICE BUILDING IN THE COUNTY COMMISSIONERS'  
MEETING ROOM ON MAY 9, 2012 AT 9:30 A.M.**

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

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**CALL TO ORDER**

Chairman Owens called the meeting to order.

**BUDGET 2012-2013**

County Manager Carl Classen told the Board that the County has weathered two harsh economic recessions in the past 15 years. Rutherford County lessened the blow of these recessions by using fund balance to soften service cuts. The fund balance is now getting low enough that Mr. Classen does not feel it is prudent to continue this path. The proposed FY2012-13 budget steadies County government by using no fund balance to pay for operating expenses or current debt.

The proposed FY2012-13 Budget is balanced through the following:

- Total General Fund spending is within 0.4% - less than one-half of one-percent – of the budget adopted by the Commissioners last spring for FY2011-12.
- Total General Fund property tax revenues are within 2.16% of the same property tax revenues proposed in the budget adopted by the Commissioners last spring for FY2011-12.
- Revaluation dropped total values but budgeted property tax revenues remain flat by adjusting the property tax rate to revenue-neutral. The impact on a typical homeowner is ZERO.

Manager Classen said the recommended budget is held essentially constant with a goal to keep things moving forward without using fund balance for operating expenses. The revenue-neutral property tax rate is 60.7 cents, and it generates property tax revenues within 2% of the current year estimated actual property tax revenues. Each penny of property tax equals just under \$500,000. Sales taxes rose 12.45% in the current fiscal year. That growth rate is likely not sustainable so sales taxes are budgeted as flat for the coming year. No new programs are proposed, and none are deleted. Education is left constant which includes both K-12 and the college. Total departmental and outside agency requests were \$4.5 million over available funding and virtually all of this was pared back. Increased personnel requests were \$704 thousand over the FY2011-12 approved budget, but only about 10% were funded. The proposed budget includes no new positions; it transfers two positions between agencies; it includes no lay-offs; it includes no furlough days; and it does not change current benefits. The budget includes funding of employee safety measures in several

County departments, particularly Solid Waste. The proposed budget also includes a 2% salary adjustment in the seventh pay period of the fiscal year.

There was \$831,000 in vehicle purchases requested for FY2012-13. Working with department heads, the Finance Office developed a business model for replacing vehicles. This plan allows for regular replacement and transfer and eventual sale of vehicles at \$368,000 in the first year growing to \$790,000 in the third year - which is the highest year - and then falling off to a stable level of approximately \$650,000 thereafter. The highest point in the vehicle replacement plan is less than what was requested in the current year. In summary, Mr. Classen said using the Vehicle Replacement Plan saves the County money now and in the future.

A recommendation was also included to dispose of county property located at 475 West Main Street in Forest City and certain other property owned by the county. Recommendations will be made by the County Manager at the beginning of the new fiscal year.

Tax collections have remained a problem due to foreclosures brought about by the recession. Manager Classen recommended adoption of the following:

- GS 161-31 Tax Certification This could produce an additional \$68,000 that would be collected more timely if Commissioners required tax certification before a deed can be recorded. An additional position would be required to complete the certification research at a cost of \$30,000 reflecting net proceeds of \$38,000.
- Minimum tax bill returned to \$1.00 –Net proceeds of \$3,658 (Extra Revenue of \$5,837 minus cost of \$2,179) could be realized if the minimum tax bill was reduced to \$1.00 from \$3.00 as approved by the Board in 2011. These estimates are for motor vehicle billing only.
- Issue garnishments on motor vehicles who plates have not expired. This resulted in a loss revenue of \$25,800 in fees and caused a possible nine month delay in those collections. Net proceeds would be \$25,800.
- Eliminate the .5% discount for early payment of taxes which will increase gross revenue \$66,021.

EMS revenues were reduced in the 2012-2013 budget by \$216,000 due to loss of the ALS transports which are being provided by a franchisee (TransMed). The County Manager had held discussion with members of the Board of Commissioners regarding an EMS station in the southeastern area of the county. An ambulance is presently housed parttime in the Cliffside area. Manager Classes offered several options to the Board though none were funded in the budget.

1. TransMed has estimated \$300,000 to provide paramedic level EMS service in the southeastern region of the county. An alternative to a subsidy would be to amend the current one-year franchise when it comes up for renewal to require the franchisee to be stationed in the southeastern region and to provide paramedic level EMS service in that area.

2. The county can provide the service for an additional \$211,352 over the existing cost of the part time vehicle already stationed in the southeastern region. This amount includes an additional vehicle reserve amount of \$104,000 annually, plus the rent on the current station. If the county built a station in the southeastern region, the additional debt service would need to be added to the cost. All totaled, the cost of this option would likely be equal to approximately 1 ¢ of property taxes.
3. If the existing one year franchise with TransMed is not renewed and the county performs all transports (BLS/convolescent and ALS), then the station could be located in the southeastern region at no net cost to the county, even after vehicle replacement reserves of \$104,000 annually and \$70,000 for building debt service.

The budget recommended that the Arts, Parks, Recreation Cultural, and Heritage Planner position be transferred to the Rutherford County Tourism Development Authority. The proposal would transfer the position and provide a grant of \$57,184 for the personnel costs. This recommendation has not been approved by the TDA Board. Manager Classes said the budget may have to be amended to make this move effective January 1, 2013.

A salary adjustment of 2% beginning in late December for all county employees was a part of the budget. No pay adjustment has taken place for these employees since FY 2008-09. No benefit changes were recommended. Reclassifications and reinstatement totaling \$704,297 were requested by only \$83,435 was recommended.

Assistant Finance Director Chris Roberts provided information to the board regarding the recommended Rutherford County Vehicle Replacement Plan. Reducing the size of vehicles in certain departments is recommended. He reviewed financing options, but told the Board a decision on which option to use would be made by the Board. Mr. Roberts said he would provide information regarding gasoline verses diesel ambulances and the cost of keeping all police pursuant vehicles in the Sheriff's Department.

<b>RECESS</b>
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11:02 A.M.	-	Recess
11:12 A.M.	-	Reconvene

<b>SHERIFF'S DEPARTMENT/BUDGET 2012-2013</b>
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County Manager Carl Classen said there is an opportunity to increase the female capacity at the Detention Center since the female population has grown tremendously. A report will be provided on expanding an unused area of the Detention Center to house females.

**EMS/TRANSMED FRANCHISE**

The Board again discussed the one year franchise with TransMed. If the Board does not choose to renew the franchise, the current one will expire and the Rutherford County EMS will provide that service.

EMS Director Richard Pettus told the Board that the county currently has three rescue squads that can provide additional resources. Commissioner Richard asked that consideration be given to allowing the present ambulance housed at the Cliffside Fire Department to remain at that station and the hours be expanded to 24 hours per day. Transmed could then pick up the calls to which this unit had responded. Mr. Pettus said it is hard to mix territories from an operations standpoint.

Commissioner Richard said the Rutherford County ordinance needs to be amended to allow the franchises for rescue squads.

Discussion followed regarding the cost of contracting for EMS collection services. To bring the collection in house, two additional positions would be needed along with the purchase of software. At the suggestion of the Board, Mr. Classen stated that he would look at adding a position that could write a software program for the collections at EMS and other department in the county.

Chairman Owens asked that the Board take a straw poll on the options provided by the County Manager regarding the medical transports. The County Manager said information could be provided on this option at the June 7 meeting. The County Attorney would need to provide the date that the franchise with Transmed would end as there had been some conflicting dates.

Chairman Owens asked whether Rutherford County EMS could handle the call volume if the franchise with TransMed is not renewed. Mr. Pettus said currently the resources are not in this department to accomplish this, but working with the rescue squads, this could be done on a short term basis.

Three of the Commissioners agreed that they would favor Option 3.

**RECESS**

12:15 P.M. - Recess  
12:25 P.M. - Reconvene

**TAX DEPARTMENTS/BUDGET 2012-2013**

Following straw polls by the Board, at least three members agreed that they would like to have information on tax certification, reducing the minimum bill from \$3 to \$1, issuing garnishments on motor vehicles whos plates have not expired, and eliminating the .5% reduction in tax bills for early payment.

The Board also agreed to add discussion to the agenda of the May 15 meeting to include a request to legislators to support legislation that would remove the requirement to advertise names of delinquent taxpayers in the newspapers.

Interim Tax Administrator Clair Hubbard asked that the 60 day waiting period to replace an employee be waived for the position of Jack Corey in the Appraisal Department. Mr. Classen said he would work with Clair on this request.

<b>ADJOURNMENT</b>
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The Board voted unanimously to adjourn the meeting after a motion was made by Commissioner Crowe and a second by Vice Chairman Eckler.

12:57 P.M. - Adjourned.

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Chairman, Board of Commissioners

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Vice Chairman, Board of Commissioners

Attest:

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Clerk, Board of Commissioners