

MINUTES OF THE SPECIAL MEETING OF THE RUTHERFORD COUNTY BOARD OF COMMISSIONERS HELD AT THE RUTHERFORD COUNTY OFFICE BUILDING IN THE COUNTY COMMISSIONERS' MEETING ROOM ON JUNE 7, 2012 AT 9:00 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.

POINT OF ORDER

Commissioner called a point of order. He stated that notice of a special meeting must be delivered to each Commissioner at least forty-eight hours before the meeting. He did not receive his notice for this special meeting prior to the forty-eight time frame.

County Manager Carl Classen explained that at the June 4 regular meeting, the Board had discussed delaying discussion on the Tax Management Associates contract until a future meeting. A Commissioner had asked that this be added to the June 7 meeting, and the Chairman had agreed. An e-mail was sent to Commissioners at 9:00 AM on June 5; however, Commissioner Richard had stated that he did not receive his copy until after 9:00 AM.

Attorney Richard Williams said the key consideration is whether anyone was prejudiced by the delay. North Carolina General Statutes state that the notice must be posted which is defined as when it was sent. Rutherford County's Rules of Procedure state that the notice must be delivered which is slightly different. At issue is the Tax Management item which was added to the original agenda which had been properly posted and delivered.

Commissioner Richard also stated that there was no signature on the notice as required by the Rules of Procedure.

County Manager Carl Classen suggested that the additional item be delayed until the July meeting.

Commissioner Richard asked for a decision by the Chairman. Chairman Owens ruled that the Tax Management Associates item would be removed from the agenda.

Commissioner Richard made a motion to appeal the decision of the Chairman. There was no second to the motion. Attorney Richard Williams advised that there must be a vote as no second is required in the Rules of Procedure.

The motion failed with Commissioner Richard voting aye; Commissioners Owens, Eckler, Crowe, and Holland voting no; no Commissioners excused; and no Commissioners absent.

BUDGET 2012-2013/STRAW VOTE/EMS
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At the May 9 meeting the Board had taken a straw vote which resulting in a majority of the Board agreeing with an option that would allow the Rutherford County EMS to perform all transports (BLS/convalescent and ALS) and locating an EMS station 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. County Manager Carl Classen presented information regarding upgrading existing service to 24 hour paramedic coverage in the Southeastern portion of the County and implementation of convalescent and all ALS transport services; a resolution relating to an existing franchise agreement; construction of an EMS station not to exceed \$656,400; and a reimbursement resolution for the proposed financing.

Mr. Classen told the Board that there are questions regarding the franchise agreement with American Transmed that was approved in August, 2011. However, the ordinance provides for a 60 day termination.

Commissioner Richard asked about rescue squads for which the county provides funding. Some or perhaps all of these rescue squads are now billing for service. County Manager Classen said the calls that are made by rescue squads are reviewed by the EMS Director; however, there is no reporting of finances. Because this is a grant, the county could request that this financial information be provided.

Commissioner Richard asked that franchise agreements be put in place with the rescue squads and other critical care transporting agencies. Mr. Classen said the Board could add a section in the budget resolution requesting a franchise review during the year.

Commissioner Crowe related that American Transmed is running between 200 and 300 calls per month. She was concerned that Rutherford County EMS would not be able to cover these additional calls. Mr. Classen stated that there would be a 60 day time frame before American Transmed's contract is terminated. He assured that the calls during this 60 day period would be covered.

Commissioner Holland made a motion to approve the straw poll that was taken during the May 9 meeting which would:

1. Approve upgrade existing service to 24 hour paramedic coverage in the Southeastern portion of the county and implement convalescent and all ALS transport services.
2. Approve the resolution relating to existing franchise/EMS ordinance.
3. Instruct the County Manager to have prepared a bid package for the construction of an EMS station not to exceed \$656,400 in the Southeastern portion of Rutherford County.
4. Approve reimbursement resolution for the proposed financing.

Vice Chairman Eckler seconded the motion. The motion passed with Commissioners Owens, Eckler, and Holland voting aye; Commissioners Richard and Crowe voting no; no Commissioners excused; and no Commissioners absent.

Resolution

WHEREAS, the Board of Commissioners of Rutherford County approved a franchise for ambulance services pursuant to Article III of Chapter 10 of the Rutherford County Code to American TransMed at the regular meeting of the Board on August 1, 2011;

WHEREAS, any such franchise is subject to the provision that either party thereto may, at its option, terminate the franchise upon sixty (60) days' prior written notice to the other party as set forth in Section 10-35(a) of the Rutherford County Code; and

WHEREAS, the County, through the Board of Commissioners, has determined that it is in the best interests of the County and of its citizens to exercise its rights to terminate the franchise to American TransMed.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Rutherford County do hereby adopt the following:

1. That the franchise for ambulance services awarded to American TransMed be terminated in accordance with the provisions of the Rutherford County Code.
2. That the County Manager instructs the County Attorney to prepare and deliver unto American TransMed such written notice to terminate the franchise as meets the requirements of Section 10-35(a) of the Rutherford County Code.
3. That the County Manager undertakes such other and further actions as he deems necessary to fulfill this resolution.

RESOLUTION DECLARING THE OFFICIAL INTENT OF THE COUNTY TO REIMBURSE EXPENDITURES UNDER UNITED STATE DEPARTMENT OF TREASURY REGULATIONS

BE IT RESOLVED, by the Board of Commissioners (the "Board") of the County of Rutherford, North Carolina (the "County") as follows:

It is hereby found, determined, and declared by the Board as follows:

(a) Section 1.150-2 of the Treasury Regulations (the "Regulations") prescribes procedures which will be applicable to certain bonds or notes issued by the County including, without limitation, a requirement that the County declare its official intent to reimburse certain expenditures with proceeds of debt to be incurred by the County prior to, or within sixty (60) days of, payment of the expenditures to be reimbursed.

(b) This declaration of official intent is made pursuant to Section 1.150-2 of the Treasury Regulations to expressly declare the official intent of the County to reimburse itself from the proceeds of debt to be hereinafter incurred by the County for certain expenditures paid by the County on or after the date which is sixty (60) days prior to the date hereof.

(c) The County desires to expend its own funds for the purpose of paying certain costs for

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construction and professional services related to the construction of the County's EMS Station in the Southeastern Portion of the County (the "Project"), for which expenditures the County reasonably expects to reimburse itself from the proceeds of debt to be incurred by the County.

(d) \$656,400 is the maximum principal amount of debt expected to be inclined for the purpose of paying the costs of the Project.

Adopted this 7th day of June 2012.

Budget Amendment - 24 Hour Coverage in the Southeastern Area of the County

Description	Expenditures	Revenues
Full Time Salaries	\$ 106,752	
Part Time Salaries	\$ 15,000	
Supplies/Equipment	\$ 35,000	
Building Maintenance Costs	\$ 25,000	
Contribution to Debt Service Fund	\$ 70,000	
Fund Balance Appropriated		\$ 251,752

Budget Amendment - ALS and Convalescent Services Implemented

Description	Expenditures	Revenues
EMS Revenues - ALS		\$ 217,000
EMS Revenues - Convalescent		\$ 694,122
Full Time Salaries	\$ 172,844	
Part Time Salaries	\$ 242,876	
Supplies/Equipment	\$ 4,100	
Vehicle Expenses	\$ 37,360	
Capital Outlay - Medical Equipment	\$ 6,000	
Contribution to Vehicle Reserve Fund	\$ 104,000	
Fund Balance Appropriated		\$ (343,942)

Budget Amendment - Debt Service Fund

Description	Expenditures	Revenues
Contribution from General Fund		\$ 70,000
Debt Service Expenditures	\$ 70,000	

Budget Amendment - Vehicle Replacement Fund

Description	Expenditures	Revenues
Contribution from General Fund		\$ 104,000
Reserve for Future Capital Outlay - General Fund	\$ 104,000	

Vehicles planned to be purchased in Year 2 & 3

BUDGET 2012-2013/STRAW VOTE/TAX DEPARTMENT

Mr. Classen reviewed information that had been requested by the Board at the May 9 meeting that included tax certification, reducing the minimum bill from \$3 to \$1, issuing garnishments on motor vehicles whose plates have not expired, and eliminating the .5% reduction on tax bills for early payment.

Vice Chairman Eckler made a motion to accept the proposals for the changes in the Tax Department. Commissioner Richard moved to amend the motion to remove the tax discount from the motion.

The amendment passed with Commissioners Owens, Eckler, Crowe, Holland, and Richard voting aye; no Commissioners voting no; no Commissioners excused; and no Commissioners absent.

The main motion as amended passed with Commissioners Owens, Eckler, Crowe and Holland voting aye; Commissioner Richard voting no; no Commissioners excused; and no Commissioners absent.

Tax Collection Changes as discussed within the budget message. Language from the budget message has been included with each amendment.

Description	Expenditures	Revenues
GS 161-31 Tax Certification		
Full Time Salaries & Benefits	\$ 30,000	
Ad Valorem Tax - Prior Years		\$ 68,000
Fund Balance Appropriated		\$ (38,000)
*GS 161-31 Tax Certification. Based on test data (August 2011 transfers) an additional \$68,000 could be collected more timely if the Commissioners required tax certification before a deed could be recorded. This would be particularly helpful when heir property is transferred. This process will require a position to complete the certification research in a timely fashion. Estimated cost is \$25,000 + benefits.		
Minimum bill returned to \$1		
Postage/Printing	\$ 2,179	
Ad Valorem Tax - Prior Years		\$ 5,837
Fund Balance Appropriated		\$ (3,658)
*In 2011, County Commissioners increased the minimum tax bill from \$1.00 to \$3.00. It is estimated the County will write off 5,010 motor vehicle tax bills of less than \$3.00 (\$8,016). It costs approximately \$0.435 to create and mail a tax bill (\$2,179 for these bills). An additional \$5,837 in revenue could be realized if the minimum bill was returned to \$1. These estimates are for motor vehicle billing only and do not reflect any revenue that could be realized on personal or real property.		

RESOLUTION

DIRECTING THE TAX ADMINISTRATOR NOT TO COLLECT MINIMAL AD VALOREM TAXES

WHEREAS, North Carolina General Statute 105-321(f) authorizes the governing body of a taxing unit that collects its own taxes to direct, by resolution, its tax administrator not to collect minimal taxes charged on the tax records and receipts; and

WHEREAS, minimal taxes are the combined taxes and fees of the taxing unit and any other units for which it collects taxes, due on a tax receipt or on a tax notice in a total original principal amount that does not exceed an amount, up to \$1.00, set by the governing body; and

THEREFORE BE IT RESOLVED by the Rutherford County Board of Commissioners that the Tax Administrator is directed not to collect the combined taxes and fees of Rutherford County and any other unit of government for which it collects taxes, due on a tax receipt prepared pursuant to G.S. 105-320 or on a tax notice prepared pursuant to G.S. 105-330.5, when the total original principal amount is \$1.00 or less; and

BE IT FURTHER RESOLVED that pursuant to N.C.G.S. 105-321(f) the Tax Administrator shall not bill the taxpayer for, or otherwise collect, such minimal taxes but shall keep a record of all such minimal taxes by receipt number and amount and shall make a report of the amount of these taxes to the Rutherford County Board of Commissioners at the time of settlement; and

BE IT FURTHER RESOLVED that this resolution shall be in effect with respect to fiscal year 2012/2013 and shall remain in effect until amended or repealed by resolution of the Rutherford County Board of Commissioners.

ADOPTED this the 7th day of June, 2012.

Garnishing Delinquent Motor Vehicle Taxes		
Ad Valorem Tax -Prior Years		\$ 25,800
Fund Balance Appropriated		\$ (25,800)
*In 2011, fees charged for issuing garnishments increased from \$15 per service to \$30. This caused the individual garnishment to result in a increased charge to some taxpayers from \$30 to \$60. County Commissioners adopted a policy wherein the Tax Collector stopped issuing garnishments on motor vehicles whose plates had not expired. It is estimated this has resulted in a loss of revenue of \$25,800 in fees and caused a possible 9 month delay in those collections. This practice can also result in the taxpayer paying two \$60 fees. If a taxpayer is garnished for a property and the motor vehicle has not been paid but has expired when the first garnishment pays out, then a second garnishment and fee would be issued.		

SALE OF PROPERTY/MAGNOLIA HOUSE

Manager Classen told the Board that the proposed budget included the sale of county-owned property which is commonly known as the "Magnolia House" in Forest City. The property had been leased to Peer Support Services and that lease will expire in the fall of 2012. Peer Support Services has requested that the lease be extended for two years.

Commissioner Richard made a motion that the property be sold. Mr. Classen explained that the property would be sold if no action is taken. Commissioner Richard amended his motion to state that he moved that the Board take no action.

Chairman Owens said Peer Support Services is offering services to the community and for that reason, he had reservations about not renewing the lease. Also, the agency had used their funds to ready the building for their programs.

Commissioner Crowe seconded the motion. The motion passed with Commissioners Richard, Crowe and Holland voting aye; Commissioners Owens and Eckler voting no; no Commissioners excused; and no Commissioners absent.

TAX DEPARTMENT/PERSONNEL/POSTAGE/BUDGET AMENDMENT
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Manager Classen discussed two additional technical budget amendments that would change the recommended budget. An assessor position was inadvertently removed from the budget of the Tax Office and postage was included in the Tax Supervisor budget when it should have been in the Office of the Tax Collector.

Commissioner Richard said he was not in favor of hiring additional personnel.

Vice Chairman Eckler moved that the technical budget amendments be approved. The motion was seconded by Commissioner Holland. The motion passed with Commissioners Owens, Eckler and Holland voting aye; Commissioners Richard and Crowe voting no; no Commissioners excused; and no Commissioners absent.

Reinstate position in the Tax Department/Assessor that was inadvertently left out of the Recommended Budget. Funding for this position was funded in FY11-12 with part time salaries.

Description	Expenditures	Revenues
Full Time Salaries and Benefits	\$ 46,633	
Fund Balance Appropriated		\$ 46,633

Reclassify postage included in the Tax Supervisor recommended budget (dept #4140 to the Tax Collector budget (dept #4145) for the garnishment program as discussed on Page 6 of the Budget Message.

Description	Expenditures	Revenues
Tax Collector - Postage	\$ 24,000	

Tax Supervisor - Postage	\$ (24,000)
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BUDGET AMENDMENTS/REGISTER OF DEEDS/COOPERATIVE EXTENSION

Two errors had occurred in the Register of Deeds' and Cooperative Extension's recommended budgets. County Manager Carl Classen asked that the Board consider approving these changes.

Commissioner Crowe moved to approve. Vice Chairman Eckler seconded. The motion passed with Commissioners Owens, Eckler, Richard, Crowe and Holland voting aye; no Commissioners voting no; no Commissioners excused; and no Commissioners absent.

Adjust two items that were technical errors with data entry within the respective departments. Postage in the Register of Deeds budget was too high and a negative contingency amount within Cooperative Extension was not removed during final preparation of the Recommended Budget.

Description	Expenditures	Revenues
Register of Deeds - Postage	\$ (15,000)	
Cooperative Extension - Contingency	\$ 4,685	
Fund Balance Appropriated		\$ (10,315)

AIRPORT/BUDGET AMENDMENT

Since the recommended budget had been drafted, the Fixed Base Operator at the Airport had decided to end the contract which is in place with the Airport Authority on June 30. The county has historically handled all finances for the Airport Authority. A budget for one quarter for the Airport was presented and Manager Classen asked that the Board approve this so the Airport could continue operations on July 1. Included in the budget amendment was part time salaries for two staff and an Airport Manager.

Commissioner Crowe said the county will be handling these operations so the Airport Authority should be changed to an advisory board. Manager Classen said over the next fiscal year, the county could work with the Airport Authority to set up their own set of books. The Board will be voting during the 2012-2013 budget year regarding whether to request legislation to change the Airport Authority to an advisory board.

Chairman Owens suggested that the Airport Manager position be deleted since two persons are currently managing the airport without the on-site supervision of an airport manager. One could be appointed as the lead staff person.

Manager Classen said the adjustment could be recalculated. The Airport Authority could come before the Board with a plan following the first quarter.

Vice Chairman Eckler moved that the amendment be approved with the funds for the Airport Manager being removed. Commissioner Holland seconded the motion. The motion passed with Commissioners Owens, Eckler, and Holland voting aye; Commissioners Richard and Crowe voting no; no Commissioners excused; and no Commissioners absent.

Adjustment to Airport Budget; FBO will be terminating contract with Airport Authority effective June 30, 2012. Additional budget amendments will be requested throughout the fiscal year as needed.

Description	Expenditures	Revenues
Airport Fuel Sales*		\$ 36,000
Part Time Salaries	\$ 4,478	
AV Fuel Purchases	\$ 27,000	
Repairs & Maintenance-Airport	\$ 10,000	
Fund Balance Appropriated		\$ 5,478

*assumes 3,000 gal/mth @ \$4/gal

Authorize the Finance Director to set up a fund to account if she determines that it will be utilized best to account for the transactions of the Airport following discussions with the auditors.

<p>HERITAGE/CULTURAL/RECREATION/BUDGET AMENDMENT/TOURISM DEVELOPMENT AUTHORITY</p>

Mr. Classen told the Board that the recommended budget had included transferring the Heritage/Cultural/Recreation position to the Tourism Development Authority on July 1. The TDA has requested that this move be delayed until January, 2013. This would require a technical budget amendment by the Board.

Vice Chairman Eckler moved to approve delaying the transfer as requested. Commissioner Holland seconded the motion. The motion passed with Commissioners Owens, Eckler, and Holland voting aye; Commissioners Crowe and Richard voting no; no Commissioners excused; and no Commissioners absent.

Recommended to transfer the Heritage/Cultural/Recreation position to TDA in January 2013 rather than July 2012.

Description	Expenditures	Revenues
Salaries & Benefits (7 pays - July through Dec)	\$ 30,915	
Grant to TDA Project Development	\$ (30,915)	
Departmental Expenditures (incl phone, supplies, and project development funds)	\$ 5,525	
Fund Balance Appropriated		\$ 5,525

TRANSIT DEPARTMENT/BUDGET AMENDMENT

The Transit Department had received notification of additional NCDOT Rural Operating Assistance Program (ROAP) funds following the preparation of the recommended budget. An adjustment to the recommended would need to be approved to include these revenues.

Commissioner Crowe moved to approve, and Vice Chairman Eckler seconded the motion. The motion passed with Commissioners Owens, Eckler, Richard, Crowe and Holland voting aye; no Commissioners voting no; no Commissioners excused; and no Commissioners absent.

Received notification of additional NCDOT Rural Operating Assistance Program (ROAP) funds following the preparation of the Recommended Budget. Adjustments to include revenues as notified.

Description	Expenditures	Revenues
TRANSIT FUND		
State Grant - EDTAP Funds (Elderly and Disabled)		\$ (1,682)
State Grant RGP		\$ 15,761
Medicaid Transportation Revenues		\$ (6,658)
Transit - Part Time Salaries	\$ 7,421	
DSS FUND		
DOT - Work First Transportation Grant		\$ (1,622)
DOT Work First Transportation Expenditures	\$ (1,622)	

SALE OF PROPERTY/MAGNOLIA HOUSE

Vice Chairman Eckler moved that the Board reconsider the motion that was approved earlier in the meeting regarding the sale of the Magnolia House. The motion passed with Commissioners Owens, Eckler, and Holland voting aye; Commissioners Crowe and Richard voting no; no Commissioners excused; and no Commissioners absent.

County Manager Classen clarified for the Board the motion that would accomplish the purpose of selling the house.

Commissioner Richard moved that this issue be tabled. Commissioner Crowe seconded the motion. The motion failed with Commissioners Richard and Crowe voting aye; Commissioners Owens, Eckler, and Holland voting no; no Commissioners excused; and no Commissioners absent.

Commissioner Holland moved that the technical amendment be approved which would allow the county to continue to own the house. Vice Chairman Eckler seconded the motion.

Commissioner Richard moved that the motion be amended to include the original vote in the main motion. The motion passed with Commissioners Owens, Eckler, Richard, and Holland

voting aye; Commissioner Crowe voting no; no Commissioners excused; and no Commissioners absent.

The Board then voted on the main motion which was to approve the technical budget amendment as amended. The motion passed with Commissioners Owens, Eckler, and Holland voting aye; Commissioners Crowe and Richard voting no; no Commissioners excused; and no Commissioners absent.

The Recommended Budget included the disposition or sell of the property at 475 West Main Street, Forest City. At this time, it is requested to remove this item from the Recommended Budget.

Description	Expenditures	Revenues
Sale of County Property		\$ (50,000)
Fund Balance Appropriated		\$ 50,000

BUDGET RESOLUTION 2012-2013

County Manager Classen asked that the Board consider the Budget Resolution presented.

Vice Chairman Eckler moved that the Budget Resolution be approved as presented. Commissioner Holland seconded the motion.

Commissioner Richard moved that the motion be amended to vote on each item separately since he did not support all of the items in the resolution. Commissioner Crowe seconded the amendment to the motion. The motion failed with Commissioners Richard and Crowe voting aye; Commissioners Owens, Eckler, and Holland voting no; no Commissioners excused; and no Commissioners absent.

The motion to approve the Budget Resolution passed with Commissioners Owens, Eckler and Holland voting aye; Commissioners Crowe and Richard voting no; no Commissioners excused; and no Commissioners absent.

A copy of the Budget Resolution is typed in the Minute Book.

BUDGET ORDINANCE 2012-2013

Manager Classen presented the budget ordinance for the Board's consideration which allows for the foundation of the budget. This ordinance will allow the manager to take certain actions and report these actions to the Board at the following meeting.

Assistant Finance Director Chris Roberts presented a report to the Board regarding gas verses diesel ambulances. The report showed that diesel ambulances are still the standard for counties. Sales of gasoline engines have picked up slightly but these tend to be for smaller type ambulances. The cost of a gasoline engine is cheaper but the longevity is shorter so this negates the savings. Mr.

Roberts' recommendation was to continue to monitor the costs associated with the two types.

Commissioner Richard stated that he had asked for audits of municipal fire departments when the audits for other fire departments had been presented. Finance Director Paula Roach replied that the county does not pay for audits for municipal fire departments as this is a responsibility of the municipalities. County Manager Carl Classen will request copies of these audits and provide these to the Board.

Fire Marshall Roger Hollifield explained the rise in the rates of three fire districts.

Commissioner Holland asked that surplus revenue be awarded to the schools and Isothermal Community College. County Manager Carl Classen said regular reports would be provided to the Board and the budget could be amended if additional revenues materialize.

Vice Chairman Eckler moved to approve the Budget Ordinance. Commissioner Holland seconded the motion.

Commissioner Richard stated that the the budget ordinance calls for a revenue neutral rate of 7.7 cents. This is a 14.5% increase. For those whose value did not decrease by this amount, their tax bills will go up. It is the duty of the Board of Commissioners to produced a taxpayer friendly budget, and the Commissioners have failed. He believed that the revenue neutral rate is an excuse to up the tax rate, and he could not support the budget.

The motion on the Budget Ordinance passed with Commissioners Owens, Eckler, and Holland voting aye; Commissioners Crowe and Richard voting no; no Commissioners excused; and no Commissioners absent.

The budget ordinance is typed in the Minute Book.

ADJOURNMENT

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

11:09 A.M. - Adjourned.

Chairman, Board of Commissioners

Vice Chairman, Board of Commissioners

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Attest:

Clerk, Board of Commissioners