

MINUTES OF THE MEETING OF THE BOARD OF COUNTY COMMISSIONERS HELD AT THE RUTHERFORD COUNTY OFFICE BUILDING IN THE AUDITORIUM ON MAY 14, 2008 AT 4:00 P.M.

**PRESENT: CHAIRMAN CHIVOUS BRADLEY
VICE CHAIRMAN PAUL MCINTOSH
MARGARET HELTON
CHARLES HILL
BRENT WASHBURN**

CALL TO ORDER

Vice Chairman McIntosh called the meeting to order in the absence of Chairman Bradley who arrived shortly thereafter.

BUDGET 2008-2009

John Condrey reviewed the highlights of the proposed budget as presented to the Commissioners. He pointed out that, using the numbers developed by staff, the overall General Fund budget is down .62%. Excluding the decrease in Medicaid resulting from changes made by the State of North Carolina, the overall budget is a 3.41% increase over the FY 2007-2008 original budget. The recommended budget anticipates spending 1% of fund balance. Sales tax revenues are projected with no growth. Interest earnings are projected to be less than last year. Ad valorem tax values are anticipated to increase 3%.

On the expense side, the budget includes a 3% increase for the schools. Of the sum expected to be available for expansion items, a portion will be consumed if the county is required to contribute an additional amount toward the retiree health insurance program, and an additional portion will be used if county employees are given a cost of living increase. Thus, the dollars available for expansion items are very limited.

Vice Chairman McIntosh asked about funds that were budgeted but unused in the 2007-2008 year. Julie Scherer stated that most of those items from last year have been carried into the new budget. She projected an increase in fund balance at the end of the fiscal year of approximately \$1 million.

Manager Condrey discussed several items for which budget numbers at present are not firmly defined. These include a request from Cliffside Sanitary District for additional funding, increasing fuel costs, possible required contribution to the retirees health insurance, and a change by the state in foster care rates.

Manager Condrey commented on the background of specific items on both the income and expense sides of the budget.

Minutes of Rutherford County Commissioners' Meeting

May 14, 2008

Page 2 of 3

Commissioner Hill said based on last year's performance and this year's projections, there is little left to discuss for the new budget.

Vice Chairman McIntosh noted that the requests from the county departments are actually less than last year.

Finance Director Julie Scherer discussed the rationale behind the projections for income and revenue.

Judy Toney of the Human Resources Department explained that the amount budgeted for a pay classification study does not include the cost of implementation.

Barry Davis of Emergency Services presented new fees for services, which he explained are the rates that Medicaid will pay.

Hicks Owens from the Building Inspector's office gave details on the proposed increase in building inspection fees. The fees for inspections of new home construction would be calculated based on square footage which for larger houses would result in higher fee assessments, yielding an estimated additional \$88,000 in income.

Manager Condrey explained that the proposed changes in fees have been incorporated into the budget as presented.

Hicks Owens made the case for a merit increase for a member of his staff.

Martha Schatz from the County Library asked for additional salary support for expanded weekend hours at the Mountains Library. She discussed in detail the system now in place for monitoring overdue items and tracking down offenders. She asked for an additional staff person to help with this.

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| ADJOURNMENT |
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Chairman Bradley declared the meeting to be adjourned.

6:15 P.M. - Adjourned

Chairman, Board of Commissioners

Vice Chairman, Board of Commissioners

Attest:

Clerk, Board of Commissioners