

**MITCHELL COUNTY BOARD OF COMMISSIONERS**

**SPECIAL SESSION**

**MINUTES**

**MAY 30, 2006**

**NORTH CAROLINA**

**MITCHELL COUNTY**

The Mitchell County Board of Commissioners met in Special Session on May 30, 2006 at 5:00 p.m. in the Commissioners' Conference Room, Administration Building, Bakersville, NC. Those present for the meeting were Keith Masters, Chairman; Ken Hollifield, Vice-Chairman; Phil Byrd, Member; Mike Hensley, Member; Jim Saylor, Member; Ryan Whitson, County Manager and Kathy Young, CMC to the Board. Also present were Mavis Parsley, Finance Officer; Lloyd Hise, County Attorney; Nathan Hall, Reporter with the Mitchell-News Journal; Ed Reid, Jana Reid, Carl Braswell, Lisa Sparks, Stephanie Wiseman, Richard Hoilman, Terry Hoilman, Roger Whitson, Nadine Whitson, Robert Hopson, John Smith, Lloyd Burlison, John Perry, Brian Garland, Rhonda Phillips, Keynan Phillips, Patrick Phillips and Dewayne McKinney.

1. **CALL TO ORDER** – Chairman Masters called the meeting to order at 5:00 p.m.
2. **INVOCATION** – Commissioner Hollifield led to invocation.
3. **ADDITIONS OR CHANGES TO THE AGENDA** – Commissioner Hollifield moved to add the recommendation for Building Inspector and Assistant Building Inspector to the agenda. Commissioner Hensley seconded the motion and it carried unanimously.
4. **REPORTS/PRESENTATIONS**
  - A. **Presentation of the Fiscal Year 2006-2007 Budget**

County Manager Whitson – Pursuant to Section 159-11 of the North Carolina General Statutes, I respectfully submit the proposed Fiscal Year 2006/2007 Budget for Mitchell County. This proposed budget totals \$18,315,043 for all County operations, personnel expenses and capital improvement. It reflects a 1.6% increase from the Fiscal Year 2005/2006 Amended Budget as of May 8, 2006. The proposed budget is balanced and prepared in accordance with the Local Government Budget and Fiscal Control Act.

The proposed budget is balanced with a property tax rate of \$.52 per \$100 valuation, which is the same rate as set for the 2005/2006 Fiscal Year. The property tax value is \$1,004,616,346 with a yield of \$5,224,005. After the tax collection rate of 94.78% for Fiscal Year 2004/2005 is applied and vehicle taxes are added, the total amount of revenue projected from county taxes is \$5,587,269. Sales tax revenue is projected to be \$3,291,537 for total revenue of \$8,878,806.

The proposed budget shows that Mitchell County is investing heavily in its greatest resource, its children. There is an increase in operating expenses for the school system as well as major capital outlay items for our schools. An increase for Mayland Community College is also included.

The proposed budget is also looking to the future of Mitchell County in other areas. It includes funding for economic development and the Economic Development Commission.

There is an allocation for another convenience center as well as an increase in mobile trash pick-up for areas of the county.

This proposed budget also strengthens the County's Inspections Department by adding a full-time and part-time employee.

Grades 56 through 68 are fully implemented in the Merit with Experience Pay plan in this proposed budget.

There is a Department of Information and Technology and a Department of Human Resources for the County in this proposed budget as well.

The proposed Fiscal Year 2006/2007 Budget sets the stage for the future of Mitchell County and brings the County into the 21<sup>st</sup> Century.

New heating and cooling systems for Buladean, Tipton Hill, Gouge, Bowman and Deyton Schools are fully funded in the amount of \$2,600,000 in Capital Outlay for the Mitchell County School System. New windows for Gouge and Tipton Hill Schools are funded in the amount of \$260,000 in Capital Outlay for the Mitchell County School System. School Sales Tax, with the proposed budget's projected amount of \$611,839 will continue to be allocated to the Mitchell County School System.

Operating Expenses for the Mitchell County School System shall increase from \$1,500,000 to \$1,800,000 in this proposed budget. This is the first increase in many years for the school system.

Funding for Mayland Community College will increase from \$229,800 to \$249,800. This is the first significant increase in three years.

Industry Recruitment is funded with \$400,000 and the Economic Development Commission is fully funded in the amount of \$80,000.00.

The Chamber of Commerce will continue to be funded with the Occupancy Tax, as it was last year.

Sanitation Capital Outlay is funded an additional \$100,000 so that another convenience center can be built and mobile trash pick-up at other sites can be increased to better serve the citizens of Mitchell County.

In order to accommodate the local growth in the housing industry as well as to strengthen economic development recruitment and retention, the Department of Inspections will be increasing in size from 1.5 full-time equivalent positions to 2.85 full-time equivalent positions.

The Merit with Experience Pay Plan will be implemented fully for grades 56 through 68. The cost for this is roughly \$100,000. This is offset by decreases in cost for employee health insurance and

workman' s comp. Insurance. This has been highly praised by the rank and file of Mitchell County' s employees.

Patrol Deputies for the Mitchell County Sheriff' s Department will be raised two pay grades as well. It is very important that our law enforcement officers receive a salary that they can afford to raise a family with.

The Toe River Health District will be funded the same as last year. However, there is a line item of \$32,314 that will be allocated to the district if their employees receive a 3% cost of living raise. That amount will cover the employees that work in Mitchell County.

Departments of Information and Technology, and Human Resources are funded as well. The Systems Administration Department is abolished as a result. The IT Department is very important to the County as we prepare for tax revaluation and it lays the groundwork to modernize the Tax Office and other computer systems in an inexpensive manner. The Department of Human Resources can save the County money in insurance costs by meeting safety requirements for employees and to help move the County to the State Health Plan in FY 2007/2008. The net increase for the creation of the IT and Human Resources Departments and the demise of the System Administration Department is only \$14,394. Many times that amount should be saved in the future. The proposed FY 2006/2007 Budget sets the County in a progressive direction for the future. Our children have come first in this budge. Steps have been taken to facilitate growth in Mitchell County. The groundwork is laid to move Mitchell County forward.

The proposed FY 2006/2007 Budget utilizes \$2,600,000 for the Mitchell County School System, \$400,000 for economic development and \$100,000 for a convenience center that will be appropriated from the fund balance. The fund balance for Fiscal Year 2006/2007 is projected to be approximately 8%. That is the recommended amount to run the County. We will not know the fund balance for certain until October of 2007. The fund balance for FY 2007/2008 should increase significantly without any increase in revenues. If present management practices are followed, the FY 2007/2008 Budget should be approximately \$14,000,000 depending on Medicaid costs. The lack of expenditures from the fund balance will decrease the 07/08 Budget y \$3,360,000. The completion of the Henson' s Creek Project, the Crisis Housing Assistance Grant and the Scattered Housing Grant will decrease the 07/08 Budget by \$1,215,000. These monies will not flow through the 07/08 Budget. Therefore, Budget will be less and the percentage value of the fund balance will be greater. I do no anticipate any cash flow problems for the County in the 06/07 Budge or the 07/08 Budget.

There is NO tax increase in the FY 2006/2007 Proposed Budget. I do not anticipate the need for a tax increase in the FY 2007-2008 budget either, despite the funds used from the fund balance. However, the tax collection rate must be maintained at current levels and unpaid past taxes must continue to be collected. The tax collection rate for FY 2005/2006 should be over 97%. Each percent increase adds about \$100,000 in revenues. Employee health insurance should be moved to the State Health Plan for FY 2007/2008. This will result in a savings to the county of about \$75,000. The CAP program administered by the Department of Social Services should see improvements in the coming year that will positively impact future budgets. There should be increases in the number of building permits that will positively impact revenues as well.

The proposed Fiscal Year 2006/2007 budget is balanced and is prepared in accordance with state statutes. Revenues are based on conservative estimates with available data. The emphasis of this budget is our school system. This budget completes the window project for the school system. This budget also puts new heating and cooling systems in the last five schools that needed them. Counties are required by law to provide and maintain facilities for their school system. Mitchell County will do so with this proposed budget. This large investment in the school system does many things for the county in regards to the school system budget. The school system should have large savings in expenditures for heating and cooling for many years. The Board of Education should put those savings toward future operating expenses and the \$1,800,000 operating allocation should stay constant for several years. This investment should also free up revenues obtained from sales tax for the schools to fund new roofs on the schools in the future without assistance from the county. Most importantly, this proposed budget helps to make safe and comfortable learning environments for the students of Mitchell County. These students are the future of our county as well as the future for us.

5. **ITEMS FOR DISCUSSION**

A. **Purchase of Forklifts** – Commissioner Hensley moved to purchase the two Toyota forklifts. Commissioner Byrd seconded the motion and it carried unanimously.

B. **Purchase of Vehicles for the Inspections Department** – Commissioner Saylor moved to purchase the two vehicles from Ramey Ford that has the best price. Commissioner Hensley seconded the motion and it carried four to one. Commissioner Byrd opposed the motion.

C. **Closed Session** – County Manager Whitson stated that the Board would hold a Closed Session in accordance with N.C.G.S. 143-318.11(a)(6): To consider the qualifications, competence, performance, character, fitness, conditions or appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge or grievance by or against an individual public officer or employee. General personnel policy issues may not be considered in a closed session. A public body may not consider the qualifications, competence, performance, character, fitness, appointment or removal of a member of the public body or another body and may not consider or fill a vacancy among its own membership except in an open meeting. Final action making an appointment or discharge or removal shall be taken in an open meeting.

Commissioner Hollifield moved to go into closed session in accordance with N.C.G.S. 143-318.11(a)(6). Commissioner Hensley seconded the motion and it carried unanimously. County Attorney Hise and John Smith were present for the closed session.

Commissioner Hensley moved to go out of closed session. Commissioner Byrd seconded the motion and it carried unanimously.

Closed session was held from 6:10 p.m. until 6:30 p.m.

D. **Nomination for IT Position** – Commissioner Hensley moved to hire Dewayne McKinney as the IT Director. Commissioner Saylor seconded the motion and it carried unanimously.

**E. Recommendation for Building Inspector & Assistant Building Inspector** - Commissioner Hollifield moved to approve County Manager Whitson' s recommendation of hiring Kenyan Phillips as Building Inspector and Donald Cox as the Assistant Building Inspector. Commissioner Hensley seconded the motion and it carried unanimously.

County Manager Whitson stated that Kenyan Phillips would begin work tomorrow at 8:00 a.m. and Donald Cox would begin work in the next two to three weeks.

6. **BOARD COMMENTS** - None

7. **CITIZEN & AUDIENCE COMMENTS**

A. **Matters on the Printed Agenda**

B. **Matters not on the Printed Agenda**

8. **ADJOURNMENT** – Commissioner Hollifield moved to adjourn the meeting. Commissioner Hensley seconded the motion and it carried unanimously.

The meeting adjourned at 6:40 p.m.

MITCHELL COUNTY BOARD OF COMMISSIONERS

\_\_\_\_\_  
Keith Masters, Chairman

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Ken Hollifield, Vice-Chairman

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Phil Byrd, Member

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Mike Hensley, Member

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Jim Saylor, Member

ATTEST:

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Kathy Young, Clerk to the Board