

**MINUTES OF THE MEETING OF THE  
ROWAN COUNTY BOARD OF COMMISSIONERS  
BUDGET REVIEWS  
JUNE 2, 2003 – 1:30 PM  
COMMISSIONER’S MEETING ROOM, ADMINISTRATION BUILDING**

Present: Steve Blount, Chairman  
Gus Andrews, Vice-Chairman  
Chad Mitchell, Member  
Frank Tadlock, Member  
Leda Belk, Member

The County Manager, the Clerk to the Board, the Finance Director, Assistant Finance Director, Finance Accountant, Environmental Services Director and Summer Interns Allison Myers and Allison Scarborough were also present.

Chairman Blount opened the session at 1:30 p.m. to discuss the Proposed Budget for FY 2003-2004.

County Manager Tim Russell informed the Board that the budget books would be helpful in explaining goals, the estimate of FY 2003-2004 tax base/tax revenue, a summary list of expansion items that each department submitted, a list of all expenditures from each department, new position request and a list of “special appropriations” requests from non-county agencies.

Mr. Russell stated that there are two (2) factors considered in preparing the proposed budget.

- A. Revaluation on real property
- B. School Bonds

A. Mr. Russell reviewed with the Board that the revaluation process is conducted every four years on real property. Mr. Russell indicated the four types of property:

- 1. Real property (land and buildings),
- 2. Business/personal (business equipment),
- 3. Motor vehicles
- 4. Public Utilities

Mr. Russell mentioned that our tax base (if we would have stopped it as of January 1, 2003) would have been \$8,141,000,000. Mr. Russell explained that normal growth is when businesses list business/personal property with the County Assessor's Office and the normal growth will be \$343,764,000 for the FY 2003-2004, which is broken down into four (4) categories.

1. Real Property- **increased** \$173,114,000
2. Business/Personal-**increased** \$328,685,000
3. Motor Vehicles- **increased** \$20,000,000
4. Utilities- **decreased** \$178,035,000 (CP & L went from Utilities to Business/Personal)

Mr. Russell mentioned that in a non-revaluation year, the tax base would start at \$8,484,764,000. But since this is a revaluation year, there would be an increase in real property by \$1,039,000,000.

Mr. Russell noted two (2) adjustments to real property.

1. Farm Land Use Deferral, which allows qualifying citizens to have their property taxed at a much lesser rate based on crops or use of their land.
2. Elderly (Homestead) Exemption, which allows qualifying citizens to deduct 50% of their house value as an exemption.

Mr. Russell concluded that after these adjustments, it would bring the revised tax base total, as of January 1, 2003, to \$9,328,764,000. Mr. Russell mentioned that \$50,000,000 has been set aside for appeals, making the net proposed property tax base \$9,278,764,000. Mr. Russell stated this amount would require a tax rate of 58.07 cents per \$100 value (revenue neutral).

- B. Mr. Russell also called attention to the school bonds, which 54% of the voters approved the \$76.9 million bond package. Mr. Russell added that in January 2003, the Board approved an accelerated plan, which would implement a 6.7% tax rate immediately. This plan would save taxpayers \$10 million in interest cost over a 14-year period. The plan would consist of three (3) bond sales:

1. July/August, 2003: \$38,000,000
2. 2004: \$31,000,000
3. 2005: \$7-8,000,000

Commissioner Andrews stated that he would like the school bonds to be handled as a separate item at the end of the budget session.

Chairman Blount deferred the discussion of school bonds until the end of the budget process.

Mr. Russell reviewed the Continuation Budget requests/adjustments, which were previously presented to the Board. Mr. Russell stated that the continuation for FY2002-2003 grew less than 1%; therefore, county government would stay constant. Mr. Russell added that this would be the same level from last fiscal year with some adjustments; such as postage, vehicles with mileage of over 125,000 - if in budget, machinery, etc.

Mr. Russell expressed his recommendations for the Expansion Budget for FY 2003-2004 into ten categories.

1. Public Assistance Payments (Mandated) – County required to increase appropriations by an additional \$92,519.

The Board came to consensus with this item.

2. Public Schools – proposed increase at \$660,305.00. Mr. Russell gave a handout to the Board showing the ranking of each school system's PPA. Rowan County ranked #39 of 117 at a PPA of \$1,326 for the school year ending in June 2002. Commissioner Belk and Commissioner Tadlock mentioned that they met recently with several school teachers concerning teacher supply money and that the teachers would like to have their supply money the first of July.

The Board came to a consensus on \$660,305 to be used for Public Schools Current Expense.

The Board came to consensus to approve teacher supply money and to continue to allow the county finance staff to administer these funds.

3. Employee Benefits –
  - Cost of Living Adjustment of 2.4% (CPI) for all employees (\$556,316).
  - Merit Pay Plan of a sum of \$350,000
  - Medical Insurance Program projected \$473 per month per employee.
  - Retiree Medical Insurance Program whereby eligible retirees could elect to remain on the county's program at no cost to them.
  - Classification Adjustment Plan adjusted by \$94,735 to pay and maintain employees.
  - Mileage Rate to increase to 36-cents per mile.

Commissioners Belk, Tadlock and Chairman Blount supported the manager's recommendations. Commissioners Andrews and Mitchell supported the Cost of Living Adjustment funding.

4. Proposed New Positions – 26.2 new positions to county service and upgrade five (5) positions. Six (6) positions will be for nine months, one (1) position will be for six months and 5.7 positions will be for three months.

Chairman Blount called for a brief break at 3:05 pm.

Chairman Blount reconvened the meeting at 3:15 pm.

Commissioner Andrews strongly emphasized the need to stay revenue neutral and also spoke in favor of the three deputy positions at the Rowan County Sheriff's Department, which was recommended by the manager, in addition to requesting three additional deputies for the RCSD at approximately \$75,000 each. Commissioner Mitchell was in agreement with the request from Commissioner Andrews.

Commissioner Belk stressed the importance of growth and the need for expansion. Commissioner Belk supported the manager's recommendations, in addition to the three additional deputies.

Commissioner Tadlock also stressed the need for expansion and support for the manager's recommendations, in addition to the three additional deputies.

Chairman Blount reviewed the process for qualifying for the Homestead Exemption and Farm Use Plan with the Board.

Commissioner Andrews continued to argue his views on staying revenue neutral.

Commissioners Belk, Tadlock and Chairman Blount supported the manager's recommendations. Commissioners Mitchell and Andrews voiced opposition.

Chairman Blount recommended holding the three additional deputies until later in the budget session.

5. Major Capital Improvement Projects –

- South Rowan Public Library Project
- South Rowan Emergency Ambulance Station
- Parks and Recreation Nature Center- \$162,000 for first year payment of FY 2003-2004.

Commissioners Belk, Tadlock and Chairman Blount supported the manager's recommendation. Commissioners Andrews and Mitchell were in opposition.

6. RCCC- \$29,386 for current expense and \$9,308 for capital outlay totaling \$38,694.

The Board came to a unanimous support for this item.

7. Mr. Russell recommended Special Appropriations To Non-County Agencies- Totaling \$25,180 as follows:

- Charlotte Regional Partnership
- EDC Certified Development Site Program
- N.C Forestry Program

Mr. Russell recommended to not fund the following:

- Rowan Sentencing Program (Elimination)

Commissioner Belk, Commissioner Tadlock and Chairman Blount supported the manager's recommendations. Commissioner Andrews and Mitchell only supported the EDC Certification Site Program and also elimination of the Rowan Sentencing Program.

8. Other Appropriations- Mr. Russell recommended \$234,541 in other appropriations as listed on page 26 of the manager's recommendation and also listed in attachment 3.

Commissioners Belk, Tadlock and Chairman Blount supported the manager's recommendations. Commissioner Andrews and Mitchell opposed the manager's recommendation in its entirety.

Chairman Blount indicated that Category 10 should be discussed before Category 9.

10. Reserve- Mr. Russell informed the Board that a reserve of \$264,167 was established with no recommendations.

The Board recommended the following appropriations:

Commissioner Tadlock recommended funding the Rowan County Chamber of Commerce "Focused Forward" Program.

Commissioner Andrews asked where the reserve funding was coming from. Mr. Russell stated that the reserve was established because of the uncertainty of the sale of the bonds. Mr. Russell added that if the Board decided not to spend the reserve, the tax rate could drop from .61 cents to approximately .60.78 cents.

Commissioner Belk supported Nazareth Children's Home and the Greenway Program.

Chairman Blount called for a break at 4:30 pm

Chairman Blount reconvened the meeting at 4:35 pm.

Chairman Blount reviewed with the Board the establishment and the current status of the Greenway Committee, which included surrounding counties and municipalities. Chairman Blount clarified that the \$10,000 recommended by Commissioner Belk, is in addition to the \$10,000 previously approved by the Board, which would allow Rowan County to participate in the Greenway Master Plan.

Commissioner Belk continued to recommend funding Freedman's Cemetery and the Mural Preservation in the amount of \$500 each. Commissioner Belk also ask to include the funding of the Salisbury-Rowan Human Relations Council at the amount they requested.

Chairman Blount indicated support for Voices and Choices and the Farmland Preservation Fund.

The following chart lists the recommendations made by the Board, including the addition of three deputies, which were not part of the manager’s recommendations.

3 Deputies x \$75,321= \$225,963 =1/4 cent	Rowan County Chamber of Commerce “Focused Forward” Program	\$10,000/yr. (5 year commitment)
	Nazareth Children’s Home	\$70,000
	Greenway Program	\$10,000
	Freedman’s Cemetery	\$500
	Mural	\$500
	Salisbury-Rowan Human Relations Council	\$2,182
	Voices and Choices	\$5,000
	Farmland Preservation Fund	\$150,000
\$225,963	Total	\$248,182

For category 10, Commissioners Belk, Tadlock and Chairman Blount approved the additional funding of \$248,182, which would include a tax rate of .61 cents. Commissioner Andrews and Commissioner Mitchell opposed the additional funding amounting to \$248.182.

Commissioner Tadlock mentioned that a reserve of \$15,985 still remains and he was also informed that the funding for the three additional deputies, in the amount of \$225,963, represents approximately one-quarter cent increase to the tax rate.

**SCHOOL BOND ISSUE**

Chairman Blount reviewed that the Board had previously voted, by a majority, to approve funding the bond by a 6.7-cent tax increase. Commissioner Mitchell mentioned that this would mean a 67.7-cent tax rate. Commissioner Belk added that this would mean that the bonds would be paid off six years early with a savings of \$10 million.

The Board continued to discuss the impact of the school bonds on the tax rate.

Commissioner Andrews asked how much “new money” was added over last year’s budget, to which Mr. Russell responded that \$3,212,082.00. This represents a 2.93-cent increase plus the school bonds. Commissioner Andrews added it was “mind-boggling” that the Board has spent in excess of \$9 million in extra money during difficult times.

Chairman Blount recessed the meeting at 5:10 pm until Tuesday, June 3<sup>rd</sup> at 11:00 a.m.

Respectfully Submitted,

Rita K. Foil  
Clerk to the Board