

**MINUTES OF THE MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS
CONTINUATION FROM JUNE 16, 2003
JUNE 20, 2003 – 6:00 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 and the Finance Accountant were also present.

Chairman Blount opened the session at 6:00 p.m. to discuss the Budget for FY 2003-2004.

Chairman Blount reviewed the status that the budget consensus to date to be a budget at 61.9 Cents, included the Manager’s Recommendations and the items added under category #10 of expansion and using about \$1,055,000 out of fund balance

Chairman Blount asked if there were any modifications for the FY 2003-2004 Budget.

Chairman Blount said that he would begin by discussing a letter from John Wear (Catawba College) to request \$10,000 for Clean Air Efforts. Chairman Blount stated that he would accept reducing Farmland Preservation Fund From \$150,000 to \$140,000 in order to fund this worthwhile effort.

The Board came to consensus with changing Farmland Preservation Fund to \$140,000 to support Catawba College Clean Air Efforts.

Commissioner Tadlock voiced concern that recent articles implied that the Board had not given much consideration to the manager’s budget of a .63-cent tax rate, which would require taking very little money from fund balance, freezing some positions until October. Commissioner Tadlock said that he did not want to do anything that would jeopardize the bond rating.

Mr. Russell clarified that staff is in the process of refinancing the 1996 issuance.

Commissioner Tadlock said that he had concerns of taking money from the fund balance and emphasized two (2) points:

1. If the Board had funded all requests from the county departments, this funding would have resulted in a .10 cent tax increase, stressing the point that departments do not always get what they request. Staff had presented a budget to the Board that was \$8,568,649 less than the total amount of the requests that came from county departments to the manager.
2. Commissioner Tadlock suggested establishing a scholarship funding of \$100,000 annually for two years; \$50,000 to High School Students and \$50,000 for Adult Re-Training purposes to Rowan Cabarrus Community College. The details could be worked out at a later date

Chairman Blount reviewed Commissioner Tadlock two (2) points and also started discussion with the Scholarship Fund.

Commissioner Andrews questioned if Commissioner Tadlock's Funding \$100,000 for two (2) years at Rowan Cabarrus Community College replacing the current budget or adding to the budget

Chairman Blount clarified that Commissioner Tadlock's recommendation was for the .63-cent tax rate, with little or no fund balance being used and to add the scholarship fund to this, with the attempt to not use fund balance, but use fund balance for the scholarships if necessary. Commissioner Tadlock stated that this was correct.

Commissioner Tadlock stated that the current tax rate is 63.5-cents and he would like to lower the rate to 63-cents with his recommendations.

Commissioner Tadlock reviewed his concept of investment of re-training Adults and scholarship use for High School students for Rowan Cabarrus Community College to provide an opportunity to train citizens for jobs.

Chairman Blount expressed that he could support this scholarship.

Commissioner Belk stated, according to her calculations, this would assist 300 plus individuals to become more skilled. Commissioner Belk said this would be money well spent and she would support this effort.

Commissioner Mitchell expressed that the "concept was very nice."

Commissioner Andrews again stated that all things presented were worthy and would benefit the county, but "this Board feels that just spending the money, if it is a worthy cause is well worth it." Commissioner Andrews reviewed the budget process and that he

had problems with the increases in the budget and the prior budget spending. Commissioner Andrews announced that excluding the fire taxes; the Board had spent approximately \$9 million, since last year. Commissioner Andrews said the scholarships are a “great idea,” but he has “major concerns.”

In response to comments made by Commissioner Andrews, Commissioner Tadlock said that he would like to change the word “spending” to “investing in our future.” We are investing in our schools, citizens, employees and departments.

Chairman Blount stated that there is a proposal for the scholarship funding, 63-cent tax rate, using no fund balance and the change in the Farmland Preservation funding to go to Air Quality, including the manager’s recommendation plus the items added at the last meeting.

Commissioner Tadlock said that he would offer that as a motion, including freezing positions until October and also proposed a 63-cent tax rate, which is ½ cents lower than the current tax rate. Commissioner Tadlock asked for the Salisbury Post to reflect the decrease in the tax rate. Commissioner Belk seconded the motion.

Commissioner Andrews responded in saying, “We’re getting ready to pull the wool over somebody’s eyes.” Commissioner Andrews said that if the Board goes to a 63-cent tax rate, “we are not cutting anyone’s taxes.” “we have increased everybody in this county by 4.93-cent and we are going to tell them that we have lowered their taxes because it was 63.5-cents on the old revaluation..” Commissioner Andrews stressed that he did not want to be affiliated with the information that taxes have been lowered, in the paper.

Commissioner Tadlock answered Commissioner Andrews that with the scenario of a 4.93-cent tax increase, minus the 2.5-cent obligation in school bonds, would realize an increase of 2.43-cent tax rate, which is still less then the current tax. Commissioner Tadlock summarized by stating that half of the increase is the obligation to the school bonds.

Commissioner Andrews answered by saying “so we have only increased the taxes to the public by 2.5-cents.” Commissioner Andrews questioned this information being presented to the public “in this light” and recommended that the chairman to make a clarification on this point.

Chairman Blount stated that everyone understand that revenue neutral is 58.07, and that 2.5-cents has been approved for the first phase of the bonds, and that anything above this rate is a tax increase.

Commissioner Andrews continued to express his concern that the implication previously stated was that the tax rate last year was 63.5-cents and we are now 63-cents and we are decreasing.

Chairman Blount said that his understanding was that the “rate” was decreased and that it is obvious that the amount of taxes will not be decreased. The argument appears to be in different terms.

Chairman Blount read his statement about the Budget Debate, which listed the breakdown by percentages as to where the funding will go. Chairman Blount mentioned that 19% of the budget goes to pay and benefits for county employees. Chairman Blount stressed the need to take care of county employees and reminded the Board of the previous high turnover in employment, which was reduced from 25 % to 10 %, due to increasing benefits to a competitive level. Chairman Blount stated that the Board agrees on 98.5% of the budget. Chairman Blount stated that, even with the struggling economy, the proposed budget would keep Rowan County on track for a better future.

Commissioner Andrews stated that, since it had been stressed not to use fund balance, then maybe some expenses need to be cut. Commissioner Andrews said that there are citizens, even with revenue neutral, will get a tax increase. Commissioner Andrews expressed concern over the tight budget approved the two previous years and the spending in this budget and emphasized that this is the wrong time to spend.

Commissioner Mitchell said that he thought the budget was brilliantly put together and it contained “something for everyone,” but questioned at what cost and when does it stop. Commissioner Mitchell stressed that he was not willing to go higher. Commissioner Mitchell stated that he disagreed with the phrase from Commissioner Andrews that “Governing is debate” and said he believed that “Governing is actually choosing.” Commissioner Mitchell said that the budget presented “10-pounds of choices.” Commissioner Mitchell expressed concern in funding areas when other counties are cutting back and closing facilities.

Commissioner Tadlock said that with seven-years experience, this is the second time he has experience a tax increase and he has never experienced a tax rate increase. Commissioner Tadlock reviewed the increase to the schools and the addition to the teacher supply funding. Commissioner Tadlock expressed the responsibility to provide adequately for Rowan County and that cuts could be made, but he is not sure that it would substantiate positive growth in taking Rowan County forward. Commissioner Tadlock said that he felt it was a good investments and history will show it. Commissioner Tadlock stated that he would like to see a 4-1 or a 5-0 vote for the budget.

Commissioner Belk said that there is not a good time to raise taxes and the Board does not take this lightly. Commissioner Belk referenced the manager and staff is the same manager and staff that have keep Rowan County sound and in line in the past. Commissioner Belk stressed that these items are needed to invest in the future.

General Fund 101

Chairman Blount reviewed that the motion and second to fund the Manager’s Recommendations plus, the item #10 created by the Board in the first budget meeting, the

shift of \$10,000 from Farmland Preservation to Air Quality, and to create a 100,000 scholarship fund, with a tax rate of 63-cents, with little or no use of fund balance except to possible fund the scholarship.

The motion passed by a 3-2 vote with Commissioners Andrews and Mitchell voting against.

Chairman Blount mentioned that the TIP report is in for the year 2004-2010 and the Clerk and Manager will have a copy for review.

Fund 201-Special Fire and Service District Taxes Fund

Commissioner Tadlock made a motion to adopt Fund 201 Special Fire and Service District Taxes Fund as presented. Commissioner Belk seconded the motion.

Commissioner Andrews mentioned the districts that cut their rates so to not impact their citizens and asked if all other districts are lifted, shouldn't these districts be lifted also. Mr. Russell said that according to the Fire Marshall, the process went through and they decided to leave it.

The motion passed 3-2 with Commissioner Andrews and Commissioner Mitchell opposing.

Fund 202-Emergency Telephone Assistance Fund

Commissioner Belk made a motion to approve Fund 202 Emergency Telephone Assistance Fund. Chairman Blount seconded the motion.

In response to a query from Commissioner Andrews, Mr. Russell explained that this fund is for the emergency operations and telephone assistance fund, which comes from .65 cents per month charge from the telephone lines. Mr. Russell continued to explain that the Board is approving using these funds and there is not increase. The funds go to the cost of the 911 line and GIS system, but not to staff.

The motion passed unanimously.

Fund 501-Risk Management Self-Retention Program Fund

Commissioner Tadlock made a motion to approve Fund 501 Risk Management Self-Retention Program Fund. Commissioner Belk seconded and the motion passed unanimously.

Fund 601-Solid Waste Enterprise Fund

Commissioner Tadlock made a motion to approve Fund 601 Solid Waste Enterprise Fund. Commissioner Belk seconded and the motion passed unanimously.

Fund 602-Rowan-Kannapolis Sports Consortium Fund

Commissioner Belk made a motion to approve Fund 602 Rowan-Kannapolis Sports Consortium Fund. Commissioner Tadlock seconded and the motion passed unanimously.

Jesse Burchette, from the Salisbury Post, asked if any of the additional deputy positions were approved. Chairman Blount stated that only the manager's recommendation

Chairman Blount wished the manager a good vacation.

With no other comments, Chairman Blount adjourned the meeting at 7:00 p.m.

Respectfully Submitted,

Rita K. Foil, CMC
Clerk to the Board