

**Yadkin County Board of Commissioners
 Minutes from Recessed Meeting - Budget Work Session
 June 3, 2009**

Members Present

Chad Wagoner - Chairman
 Kevin Austin - Vice-Chairman
 Tommy Garner - Commissioner
 David Moxley - Commissioner
 Brady Wooten - Commissioner

Staff Present

Stan Kiser - County Manager
 Sheron Church - Finance Director
 Gina Brown - County Clerk

Chairman Wagoner called the meeting back to order at 6:35pm. The Yadkin County Board of Commissioners reconvened in the Commissioners' Meeting Room of the Human Resources Building at 217 East Willow Street, Yadkinville, North Carolina in order to discuss the proposed budget for 2009-2010 and other business items.

Budget Amendment - Law Enforcement Fund

Major Danny Widener and Lieutenant Tom Helms appeared before the Board to review the budget amendment for the Law Enforcement Fund. It was noted that these are Federal funds received for work on specific cases of the Sheriff's Office. These funds are often received a year or more after the work has been completed. These funds are projected at each budget cycle and amended once the funds are actually received. There are guidelines for expenditure of these funds.

Date: June 1, 2009
Law Enforcement Fund Dept: Law Enforcement

Description	Account Number	Original Budget	Increase/ (Decrease)	Amended Budget
Fines/ Forfeitures- USUB Tax (STATE)	7444716- 43362	10,000.00	7,900.00	17,900.00
Customs & Border Protection (FEDERAL)	7444716- 43369	-0-	80,360.00	80,360.00
Law Enforcement Expenses	7454716- 56100	13,150.00	88,260.00	101,410.00

To amend for monies received in the Law Enforcement Fund for the FY 08-09.

Vice Chairman Austin made a motion to approve the budget amendment for the Law Enforcement Fund as presented. Commissioner Garner second. Major Widener clarified that these funds could not be used to offset other expenses within the department. There are no concrete plans for the funds at this time.

Vote: 5/0

Division of Community Assistance - CDBG Grant under Recovery Act 2009

County Manager Kiser received an email from Mike Walser of Hobbs, Upchurch & Associates with information regarding a possible grant. The application deadline is June 12, 2009. Mr. Walser is suggesting that Yadkin County may qualify for a grant for emergency repair funding of up to \$100,000 through the Recovery Act of 2009. Hobbs, Upchurch & Associates would prepare the grant and oversee the project with funds that are built into the grant.

Commissioner Wooten made a motion to authorize Hobbs, Upchurch & Associates to submit a grant application for CDBG funding under the Recovery Act 2009.

Vice Chairman Austin second.

Vote: 5/0

Letter of Inquiry - Golden Leaf Foundation

Cooperative Extension Director, Nancy Keith, appeared before the Board for discussion of a Letter of Inquiry to the Golden Leaf Foundation for grant funding. It was noted that the Letter of Inquiry does not require a commitment from the County. The Letter of Inquiry is only the first step in the process. If Yadkin County is selected, the Golden Leaf Foundation would then allow an application for grant funding.

Commissioner Garner made a motion to authorize a Letter of Inquiry to the Golden Leaf Foundation as the first step of the application process.

Commissioner Wooten second.

Vote: 5/0

Compensatory Time/Overtime

County Manager Kiser provided data on overtime estimates for the upcoming fiscal year. The estimated figure is \$58,227, not including the Sheriff's Office. An alternative to this expenditure would have employees that earn overtime take furlough once their pay had reached its base rate. Commissioner Wooten commented that departments should have ample time in a 12-month period to plan coverage of

the workload. Chairman Wagoner stated that it would not be feasible to furlough an employee for an extended period of time simply because they earned overtime on a consistent basis throughout the year. Vice Chairman Austin replied that special situations would require budgeted overtime.

County Manager Kiser asked Major Widener how this process would affect the Sheriff's Office. Major Widener explained that furlough would not be possible with Communication staff. Communication staff is scheduled for overtime in each 2 week period. Communication staff accrues an estimated \$3500 per month in overtime.

Commissioner Wooten commented that the Communications Department is a 24/7 operation with 3 people on duty at all times. Commissioner Wooten believes that the Communications employees should be paid for all existing compensatory time immediately. Much discussion occurred. Board members agreed that a pay-out of compensatory time would result in a cost savings to the County.

Commissioner Wooten made a motion to approve the payment of all accumulated compensatory time for all Communications employees effective immediately.

Vice Chairman Austin second.

Vote: 5/0

County Manager Kiser explained that the payment of overtime each month would require changes to the payroll process. County Manager Kiser suggested that the County pay date move to the 10th day of the month in order for the time sheets to be processed for actual time worked. There were concerns for the 10-day lapse in pay and how this would affect employees' personal finances. There was much discussion. Solid Waste Director, Cheri Cranfill; Tax Administrator, Phyllis Adams; Finance Director, Sheron Church; Clerk, Gina Brown; EMT, Tony Matthews; IT Director, Josh Arnder; Major Danny Widener; and Lieutenant Tom Helms all participated in the discussion. Vice Chairman Austin suggested that overtime hours be carried over and paid in the following month. There were some concerns for the administrative issues of this option. County Manager Kiser was instructed to work with Finance Director, Sheron Church for a viable solution.

Chairman Wagoner called for recess at 8:15pm. The meeting reconvened at 8:27pm.

The Board was reminded of the Hoots Memorial Hospital Board of Trustees meeting to be held on Thursday, June 4, 2009 at 6:30pm.

Budget

County Manager Kiser reviewed the revisions thus far in the proposed budget. Those revisions are outlined in the table below:

Department/Line Item	Amount
Appropriation from Fund Balance	\$762,694
Tax Revenues	\$20,909,092
Sheriff's Office Revenues	\$10,000
Inspections and Permitting Revenues	\$130,000
Animal Control Revenues	\$10,000
Interfund Transfer	\$99,300
Animal Control Expenses - Fuel	\$9,000
Animal Control Expense - Vehicle Maint	\$3,000
Animal Control Expense - Bldg/Grounds	\$3,200
JCPC: Project Challenge	\$44,865
SCAN	\$17,663
Surry Children's Center	\$52,656
Blue Ridge Mediation	\$14,669
Total JCPC	\$136,354
Recreation Revenues	\$30,000
Recreation Expense - Workers Comp	\$5,101
Non-Departmental - Professional Services	\$130,000
Health Insurance Contributions	\$100,000 * Chairman Wagoner believes this item should be increased to \$125,000
2% Discount on Property Tax	\$160,000
Appropriation from Enterprise Fund	\$68,855 ** It was noted that the Household Solid Waste Fee must be \$65 in order to break even
Water Fund	\$99,300

County Manager Kiser announced that these changes result in an appropriation from fund balance of \$787,000. Ms. Church pointed out an adjustment to be made in the JCPC budget. This adjustment and the addition of \$25,000 in Health Insurance Contributions result in an appropriation from fund balance of \$829,558.

Each Board member was given the opportunity to offer their comments and suggestions on the budget.

Vice Chairman Austin offered the following for discussion:

Vehicles for Animal Control and Building Inspections were removed from the budget. Vice Chairman Austin asked if there were other vehicles that could be removed. County Manager Kiser noted that only Sheriff and EMS vehicles remain in the budget. Removal of any other vehicles would result in a reduction in services. Vice Chairman Austin remarked that the Board should be realistic in its expectations and understand that things may arise later in the budget year that have to be dealt with.

Commissioner Garner had no additional comments at this time.

Chairman Wagoner offered the following for discussion:

Yadkin County Schools have asked for a huge increase. Chairman Wagoner feels that most of the numbers provided by the School Board are inflated. However, in an effort to remain at the same funding level as last year, Chairman Wagoner suggests \$600,000 to replenish the fund balance and increasing the capital outlay by \$295,000 for the middle school start-up costs for a total of \$895,000 in addition to the \$6,486,000 of current expense.

Some discussion followed. Commissioner Wooten reported that the middle school construction was reported as a "turnkey job." It was noted that any additional funding to Yadkin County Schools must be appropriated from the fund balance.

Vice Chairman Austin remarked that the Board must consider an acceptable amount to appropriate from fund balance. Vice Chairman Austin believes that Yadkin County should lower the tax rate and that additional cuts in the proposed budget are necessary to make this happen.

Vice Chairman Austin made a motion to amend the proposed budget to accommodate a reduction in the Yadkin County tax rate to \$0.699. Commissioner Wooten second. Commissioner Wooten noted that debt service must remain unchanged but suggested that all departments be reduced to the same funding level as the previous year. Further, Commissioner Wooten stated that tightening the budget may cause inconveniences or may result in furloughs or reduction in services.

Reductions in the proposed budget as suggested by Commissioner Wooten are provided in the table below:

Department	Reduction
Tax Assessor	\$8,925
Liaison Officer	\$2,561
Emergency Management	\$3,746 * It was noted that EMS has experienced quite a savings on fuel from the current projected amount.
Building Inspections	\$705
Rescue Squad	\$22,340
Animal Control	\$8,220
Planning and Development	\$342
Health Administration	\$33,601
Environmental Health	\$18,886
Dental Clinic	NO CHANGES
DSS	\$14,366
Yadkin County Schools	NO CHANGES

Commissioner Wooten suggested that an additional \$50,000 should be budgeted for overtime and should not be in the budget of the individual departments. Overtime should be granted only in emergency situations and should be approved by the County Manager. Commissioner Wooten commented that the appropriation from fund balance should remain at \$829,558; school funding should remain as originally budgeted; and all other reductions be made in order to lower the tax rate to \$0.699.

Chairman Wagoner responded that a 9% decrease across-the-board would be required to meet Commissioner Wooten's proposal. In addition, a tax rate of \$0.699 would result in a savings of only \$152 per year or \$13 per month on a home valued at \$250,000. Further, a citizen with a home value of \$90,000 would experience only a \$54 savings per year or \$4 per month.

Vote: 2/3 (Motion failed with Garner, Moxley, and Wagoner opposing)

Commissioner Wooten made a motion to...

- a) Restrict the County Manager and the Finance Officer from authorizing or paying a bill that has no budget approval in advance;
- b) Authorize the County Manager to approve budget amendments below \$500, approve budget amendments up to \$5000 when no new money is involved, and provide a monthly report of such amendments; and
- c) Have all emergency budget needs addressed by the County Manager and the Board as needed.

Vice Chairman Austin second. Board members expressed agreement with part of the motion and concern for other parts.

Chairman Wagoner made a substitute motion to approve b) only: Authorize the County Manager to approve budget amendments below \$500, approve budget amendments up to \$5000 when no new money is involved, and provide a monthly report of such amendments. Commissioner Moxley second.

To accept the substitute motion - Vote: 3/2 (Austin and Wooten opposed)

To approve the substitute motion - Vote: 3/2 (Austin and Wooten opposed)

The Board agreed to meet once more on Monday, June 8, 2009 at 6:30pm to further discuss the proposed budget.

Commissioner Moxley made a motion to recess until 6:30pm on Monday, June 8, 2009 in the Commissioners Meeting Room of the Human Resources Building at 217 East Willow Street, Yadkinville, North Carolina. Commissioner Wooten second.

Vote: 5/0

Meeting recessed at 11:20pm.

Prepared by Clerk to the Board

Date Approved by the
Yadkin County Board of Commissioners