

**YADKIN COUNTY BOARD OF COMMISSIONERS**  
**Public Hearing for Proposed 2010-2011 Budget**  
**June 7, 2010**

The Yadkin County Board of Commissioners met on Monday, June 7, 2010 at 7:00 pm, in the Yadkin County Human Services Building (Commissioners' Meeting Room), 217 East Willow Street, Yadkinville, North Carolina in reference to the Proposed 2010-2011 Budget.

**Present were:**

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

**Staff present:**

County Manager, Aaron Church  
County Attorney, James Graham  
Finance Director, Sheron Church  
IT Director, Josh Arnder  
Clerk to the Board, Gina Brown

Chairman Wagoner called the meeting to order at 7:05pm.

Chairman Wagoner welcomed all those in attendance for today's Public Hearing. Chairman Wagoner stated that the hearing was offered for the citizens to make comments on the proposed budget. Chairman Wagoner announced that the rules of public hearing are suspended for today's proceedings.

Commissioner Garner asked if Board members would have an opportunity to address issues once all citizens have spoken. The Board agreed that each member would have an opportunity to comment. Commissioner Garner asked the citizens to remain for board member comments.

**Budget Presentation:**

County Manager Church provided a PowerPoint presentation on the Proposed 2010-2011 Budget.

## Public Hearing:

The Public Hearing was opened at 7:32pm. Clerk Brown called the first registered speaker.

Peggy Boose of Boonville appeared before the Board. Ms. Boose made the following comments:

- Thanked County Manager Church for the budget presentation.
- Commended County Manager Church for reducing the budget.
- Stated "poor planning equals poor results." The majority that has ruled the Board since December 2006 refused to acknowledge the economic trends that have affected our nation have also affected our County.
- Yadkin County has found itself in this situation because of poor planning and excessive spending.
- A balanced budget does not use funds from the fund balance. Ms. Boose asked how long the County could continue its deficit spending.
- Yadkin County has continued to spend as if these were boom years. While other counties 'tightened their belts' and cut their budgets, Yadkin County continued to spend. Only the current County Manager has reduced spending and maintained all current employees.
- A successful enterprise does not have excessive spending.
- As an accountant, Ms. Boose has spent more time in the last 2 years identifying ways to increase revenues and reduce expenses than in all of the years at this practice.
- Approximately \$50 million in debt since January 2007 is too much, too quick.
- The majority of the County loans are established on a graduating scale. This is the type of lending that damaged the housing industry. This also leads to higher payments during a slow economy.
- The Yadkin County budget increased from \$31 million to \$37.3 million from June 30, 2007 to June 30, 2010; representing a 20% increase.
- In 2007, the Yadkin County population was 37,610. The population is reported as 38,001 as of May 4, 2010; representing only a 1% increase. Further, Yadkin County has experienced only a 2.2% increase in population over the last 10 years.
- When comparing the increased budget to the modest rise in population, the numbers "do not compute."
- Government is supposed to be "for the people and by the people."
- The Board of Commissioners are public servants but have put wants above needs in recent budgets.

- Ms. Boose hopes that the new Board to be seated in December will do a better job of planning. Further, a fresh Board may decrease voter apathy and may elevate voter turnout.

The second registered speaker was called.

Brent Hunter, representing the Agricultural Advisory Council, appeared before the Board. Mr. Hunter stated that he did not envy the Board for the decisions that had to be made. Mr. Hunter understands that the budget is tight and that sacrifices must be made. However, Mr. Hunter expressed concerns for the cut of a copier contract in the agricultural building. Mr. Hunter stated that the Soil and Water Department and the Cooperative Extension have much documentation requirements. Mr. Hunter believes that the loss of 1 copier would cause undue hardship on staff and possibly delay the work that must be done. Mr. Hunter asked the Board to retain this copier contract as is for the upcoming budget year.

The Public Hearing closed at 7:45pm.

### Commissioner Comments

Chairman Wagoner stated that he agreed with Peggy Boose in the admirable job that County Manager Church had done with the budget. Chairman Wagoner stated that it was disheartening that so few citizens would attend this meeting as the County Manager is trying to educate the public on the County's financial matters. Further, Chairman Wagoner feels that it is a sad state when the public will attend to protest tax increases or controversial matters, but otherwise, does not care. Chairman Wagoner stated that he appreciates Ms. Boose's interest in the political process.

Commissioner Wooten offered his appreciation to County Manager Church for the budget. Commissioner Wooten stated that the recommended budget is one that he could live with. Commissioner Wooten also expressed disappointment for the lack of attendance at today's public hearing. Commissioner Wooten noted that approximately 7000 families were contacted by phone in regard to today's hearing. Commissioner Wooten further noted the poor turnout for the primary election. Commissioner Wooten thanked those citizens in attendance today.

Commissioner Moxley thanked the citizens that appeared at today's meeting and offered his disappointment in the low attendance. Commissioner Moxley thanked County Manager Church for the excellent budget work.

Commissioner Garner stated that this had been the easiest budget in his 4-year term. Commissioner Garner thanked County Manager Church for the PowerPoint presentation and his effort to inform the public. Regarding the increased debt in the last few years, Commissioner Garner stated that you must "spend money to make money." When RJ Reynolds bought Brown Williams in Georgia, those employees were given an opportunity to move to North Carolina and work in the Whitaker Park plant. Not one of those employees settled in Yadkin County because middle schools were not available. Had middle schools been available in Yadkin, more of those employees would have settled in this County, and the tax base would have increased accordingly. Money must be spent to make the County more attractive to businesses and potential residents. Unfortunately, Yadkin County's only income is the landowners. This Board has attempted to plan for the future by building infrastructure, but long-term planning has not always been possible; such as the 5D Project. The 5D reservoir could have been built for \$20,000 in the 1950s. In 2008, the permits alone were over \$50,000. Representative Foxx was successful in securing 1/3 of the cost from the Federal government with 1/3 of the cost from the State and the other 1/3 a County match. Yadkin County had no choice but to pursue this project or lose it forever.

Commissioner Garner also expressed his concern for the lack of attendance at today's hearing especially considering that at least 7000 residents were contacted by phone. Commissioner Garner feels that citizens do not care about the business of the County as long as taxes are not being raised.

Regarding public participation, Vice Chairman Austin commented that the Board members are representatives of the people. Further, Vice Chairman Austin stated that the County experienced much volatility 3 to 4 years prior. Stabilization began with County Manager Stan Kiser and that stabilization continued under the leadership of Jim Haynes and now Aaron Church. Vice Chairman Austin stated that County Manager Church has established a great foundation for the future and he feels good about the County's position for the next few years. When asked about the new county manager and the upcoming budget, Vice Chairman Austin stated that he is proud to give a good report.

On a separate note, Vice Chairman Austin reported meeting individuals from Bladen County that are already making plans to fish in the new 5D reservoir.

Vice Chairman Austin remarked that there should not be a false sense of satisfaction for the taxpayer. The Board members have a strong obligation to meet the needs of the citizens and advance the County in a professional manner. Vice Chairman Austin believes that those needs are being met at this time. Regardless of whether citizens appeared today to express good or bad, the administration and the Board should continue to do their job.

*Chairman Wagoner called for a recess at 8:00pm. Meeting resumed at 8:17pm.*

County Manager Church presented the following summary of items discussed at the budget work session of June 3, 2010...

<b>DEPARTMENT</b>	<b>LINE</b>	<b>FY10-11 RECOMMENDED</b>	<b>FY10-11 WORK SESSION</b>
Non-Department	COLA	\$ -	\$50,000
Non-Departmental	\$500 HRA Contribution	\$150,000	\$125,000
Non-Departmental	Supplemental Retirement	\$50,000	\$ -
Non-Departmental	Insurance Consultant	\$ -	\$40,000
<b>Community Action</b>	<b>SCC - RESERVE</b>	<b>\$11,500</b>	<b>\$60,000</b>
<b>Community Action</b>	<b>Yadkin River Heritage Corridor</b>	<b>\$ -</b>	<b>\$5,000</b>
<b>Community Action</b>	<b>Yadkin Senior Services</b>	<b>\$40,250</b>	<b>\$60,000</b>
<p>Ms. Sabrena Lea, from the North Carolina Department of Health &amp; Human Services in the Office of the Secretary stated in writing that grant solicitation, Section IV-I Award Amounts states, "Applicants are eligible to apply for CRC grant funding in a range of \$50,000 to a maximum of \$120,000 depending on the size and scope of the project and needs as described in the applicant's budget submission for a period of 27 months, beginning July 1, 2010 through September 30, 2012. Grant funding is contingent on the availability of federal funding. CONTRACTORS ARE EXPECTED TO PROVIDE A <b>MATCH OF 5%</b> of NON-FEDERAL FUNDING, <b>WHICH MAY BE IN KIND</b> (i.e. non-cash which can include office space).</p>			
<b>Community Action</b>	<b>Library</b>	<b>\$390,000</b>	<b>\$393,129</b>
<b>Community Action</b>	<b>Surry Community College</b>	<b>\$191,308</b>	<b>\$196,000</b>

Chairman Wagoner stated that he was comfortable with the budget as recommended by County Manager Church and that the Board may wish to review only the presented summary. The remainder of the Board agreed.

Non-Departmental:

It was the consensus of the Board to include \$50,000 for a 1% COLA increase effective January 1, 2011 contingent upon the sales tax revenues remaining stable or increasing.

It was the consensus of the Board to allocate \$125,000 for the \$500 HRA contribution per employee.

It was the consensus of the Board to allocate \$50,000 for supplemental retirement at a rate of 1% match.

It was the consensus of the Board to increase professional services by \$40,000 to fund the insurance consultant fees for WN Ireland and CMS.

Copier for Agriculture Building:

It was the consensus of the Board that the copier contract for Soil and Water would remain intact and that \$1400 should be added to the budget of Soil and Water for this purpose.

Capital Reserve for the Yadkin Center of Surry Community College:

Commissioner Wooten did not agree with the action to place \$60,000 in capital reserve for the Yadkin Center. Chairman Wagoner noted that these dollars would not be spent, only set aside for future capital needs. Commissioner Garner agreed with the set aside. Upon reflection, Vice Chairman Austin stated that he is not 100% behind the \$60,000 set aside. Other similar requests have been denied. Vice Chairman Austin further stated that this may not be the appropriate time to set aside these funds. Commissioner Wooten noted that a budget amendment on this matter could be presented at a later time if the economy allows. Further, Commissioner Wooten stated that each department had a need that was requested. If increases are allowed for the Yadkin Center, it would only be fair for the other departments and agencies to receive increases. Vice Chairman Austin commented that the funds could not be expended without a budget amendment. Vice Chairman Austin also noted that he would be adamantly against the spending of this \$60,000 at this time. Commissioner Wooten acknowledged that a capital set aside for the Yadkin Center is a legitimate need but there are other legitimate needs throughout the County. Vice Chairman Austin agreed with Commissioner Wooten's assessment.

It was the consensus of the Board not to set aside \$60,000 for the Yadkin Center in the FY 2010-2011 Budget.

Yadkin River Heritage Corridor:

It was noted that the recommended budget of Wilkes County did include an allocation of \$5000 to the Yadkin River Heritage Corridor. The status for Surry and Caldwell counties is unknown. Commissioner Wooten stated that there is an endless stream of non-profits that request funding and that the County must be prudent in its allocations. Chairman Wagoner added that an allocation could be made later in the year via budget amendment. It was the consensus of the Board not to include an allocation to the Yadkin River Heritage Corridor.

Yadkin Senior Services:

There was very little discussion on this item. It was the consensus of the Board not to increase the budget for Yadkin Senior Services beyond the recommended amount.

Northwest Regional Libraries:

Chairman Wagoner and Commissioner Wooten did not support an increase in the recommended budget for the Northwest Regional Libraries. Commissioner Moxley noted that the library system will suffer State budget cuts and a reduction in the maintenance of effort. Vice Chairman Austin commented that the library system had received a \$7000 distribution from the State. There was discussion of the excessive insurance premiums noted by the library administrators at an earlier budget work session. Vice Chairman Austin suggested that the administrators seek quotes from CMS Insurance for a reduction in the health insurance premiums. It was the consensus of the Board not to increase the budget allocation for the Northwest Regional Libraries.

Yadkin Center of Surry Community College:

County Manager Church recommends an increase in the operating funds of the Yadkin Center from \$191,308 to \$196,000. Due to the recent utilization of mobile units at The Yadkin Center site, County Manager Church feels the increased operating funds are justified. It was the consensus of the Board to appropriate \$196,000 to the Yadkin Center of Surry Community College.

Copier for Soil and Water:

Upon further review, County Manager Church determined that the copier had not been removed from the budget of Soil and Water as originally planned. No change will be necessary on that item.

**Vice Chairman Austin made a motion to approve the recommended budget ordinance for FY 2010-2011 with noted changes and a tax rate of \$0.74 per \$100 value. Commissioner Garner second.**

**Commissioner Wooten made an amended motion by striking \$0.74 and inserting \$0.71. Vice Chairman Austin second.** Commissioner Wooten stated that the Board should offer the taxpayers some relief in these tough economic conditions. Chairman Wagoner commented that a drop in the tax rate would make it necessary to cut services. County Manager Church commented that a \$0.03 drop in the tax rate would require an additional \$750,000 from fund balance. It was noted that the fund balance was \$7.8 million as of June 30, 2009. Commissioner Wooten added that there are additional capital reserve funds. Chairman Wagoner stated that reducing the tax rate would place an additional strain on the upcoming Board and would result in the reduction of services. Commissioner Wooten stated that issues that arise over the course of the budget year could be addressed as needed.  
**To accept the amended motion: 1/4 (Motion failed with Austin, Garner, Moxley, and Wagoner against)**

**Commissioner Wooten made an amended motion by striking \$0.74 and inserting \$0.73 Vice Chairman Austin second.** Commissioner Wooten stated that reducing the tax rate by \$0.01 will take very little additional funds from the fund balance. Vice Chairman Austin stated that he would love to reduce the burden on the taxpayer but that \$0.01 or \$0.03 may not be enough. At this time, unrestricted fund balance is sufficient. Yadkin County is in a better position than most counties and Vice Chairman Austin stated that he would like to have Yadkin County remain in that position. Chairman Wagoner agreed. Vice Chairman Austin stated that the budget should remain as recommended by the County Manager.  
**To accept the amended motion: 1/4 (Motion failed with Austin, Garner, Moxley, and Wagoner against)**

Current motion on the floor...

**Vice Chairman Austin made a motion to approve the recommended budget ordinance for FY 2010-2011 with noted changes and a tax rate of \$0.74 per \$100 value. Commissioner Garner second.** Commissioner Wooten stated that the recommended budget is a good one and that he can accept it as discussed today. Commissioner Wooten stated that he would like to provide taxpayer relief as the taxpayer can spend their money more efficiently than the County. Commissioner Wooten stated the County Manager deserves 99.9% of the credit for the budget. Vice Chairman Austin stated the importance of protecting the fund balance and that the fund balance is at a comfortable level considering the economy.

**Vote: 3/2 (Motion passes by majority with only Moxley and Wagoner against)**

Chairman Wagoner stated that the budget for FY 2010-2011 is very good and his 'no' vote is not a negative reflection on County Manager Church. In an effort to remain consistent in his voting with last year's budget, Chairman Wagoner stated that he voted against the budget due to the \$0.74 tax rate. Chairman Wagoner feels the tax rate should \$0.76 per \$100 value.

Commissioner Wooten stated that this had been the cleanest and easiest budget in his 6 years on the Board.

Commissioner Moxley stated that he felt very comfortable with the budget but that his 'no' vote was a show of support for the Boards in which he serves.

Chairman Wagoner further noted that he has no regrets in the budget decisions. Chairman Wagoner stated that spending would occur when warranted and necessary. The Board may take a position of 'cruise control' and be assured that the budget is in appropriate condition.

Vice Chairman Austin stated that Yadkin County now has new middle schools and will soon have a new hospital. Vice Chairman Austin feels that Yadkin County is in a great position for a while to come. Vice Chairman Austin stated that the budget began on the right foot with the preliminary budget work session and he commended County Manager Church for this process.

Commissioner Moxley acknowledged that he had not been in favor of middle schools in the beginning. However, after learning that Nonni's settled in Yadkin County because of the new middle schools and the Yadkin Center of Surry Community College, Commissioner Moxley realizes that these are tremendous assets.

Chairman Wagoner announced that the meetings scheduled for Friday, June 11 and Friday, June 18 are no longer necessary and are hereby cancelled.

**Commissioner Wooten made a motion to adjourn. Commissioner Garner second.**

**Vote: 5/0**

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Prepared by Clerk to the Board

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Date approved  
by the Yadkin County  
Board of Commissioners