

YADKIN COUNTY BOARD OF COMMISSIONERS

RECESSED BUDGET/CIP WORK SESSION MINUTES

Tuesday, January 15, 2013

The Board of Commissioners of the County of Yadkin, State of North Carolina, met for a Recessed Budget/CIP Work Session in the Commissioners' Meeting Room of the Yadkin County Human Services Building located at 217 East Willow Street, Yadkinville, NC on Tuesday, January 15, 2013 at 9:00am.

Present were:

Chairman Kevin Austin
Vice Chairman David Moxley
Commissioner Gilbert Hemric
Commissioner Marion Welborn
Commissioner Frank Zachary

Staff present: County Attorney, Ed Powell; County Manager, Aaron Church; Assistant County Manager/Finance Officer, Lisa Hughes; and Deputy Clerk to the Board, Tanya Gentry.

CALL TO ORDER by Chairman Austin at 9:08am.

Introduction

County Manager Church introduced Darren Rhodes who will act as the moderator for this meeting. Darren Rhodes is a Chief Planner with the NC Department of Commerce Division of Community Assistance. There is no cost for his participation in the meeting other than the cost of travel and supplies.

Fund Balance

Lisa Hughes went over Fund Balance data with the Board. Each year there are additional appropriations of funds for items that were not included in the original budget that was adopted by the Board. A chart showing the amount of additional appropriations that have occurred over the last few years was reviewed. A couple of examples of additional funds that were appropriated are the \$500,000.00 for the Jonesville water plant last year and approximately \$677,000.00 that was appropriated this year to match the PARTF grant for the 5-D Recreation Area. The Board reviewed and discussed property tax collections.

Debt Service

Yadkin County has a low amount of debt compared to the 21 counties in our population group and the State. Lisa Hughes went over debt service per capita. A county's debt cannot be more than 8% of its property evaluation. Yadkin County's debt is 1.324% of property evaluation. This year the General Fund debt service is 11% of the operating budget or \$4,084,291.00. The Board reviewed the General Fund revenues and expenditures over the last few years. Most of the expenditures are made by Human Services.

Capital Improvement Plan

The Capital Improvement Plan is two pronged. The General Government Capital Improvement Plan is for big ticket projects like the new Ag Center, the eastern waterline, and narrowbanding. The Departmental Capital Improvement Plan is for projects the departments want over the next five years. The costs of the projects that are needed will be included in their annual budgets. The Board reviewed the projects the Department's want. The Board discussed the worst case costs of the General Government projects and the amount of money that may need to be borrowed. The current amount in Fund Balance is approximately \$12,798,920.00. The minimum amount that needs to remain in Fund Balance is approximately \$2,805,934.00 so up to approximately \$9,992,986.00 is available to spend.

There are two ways to set aside funding for the Capital Improvement Projects. The Board can setup a Project Ordinance for any of the CIP projects they want. The Ordinance would take the money from Fund Balance and restrict it to that project. Or the Board could choose to commit a stated amount of money to a project. When they commit the funds the money stays in Fund Balance but is restricted to that

project.

The Board discussed the projects, when they should be done, and what amount they feel comfortable spending out of Fund Balance. The Board has to leave at least 8% in Fund Balance. The consensus of the Board was to leave 25% to 30% in Fund Balance. Some funds will need to be committed in some way to lower the Fund Balance to that level.

Capital Improvement Plan/Prioritized

- 1) Narrowbanding is mandated and has to be completed in 6 months. The goal is to have it done in 3 months.
- 2) The Eastern Water Line project can move forward some but easements are needed. The County is also still looking into the financing of the project. It is not know at this time if the County will be able to get USDA funding. The financing will probably not be done until next fiscal year.
- 3) The Ag Center Project can move forward some but the land issue needs to be resolved. Decisions need to be made on financing. Can the County get more grant money? Should there be a fund raising campaign?
- 4) The Sewer Project needs more research. The County needs to speak with the Town of Yadkinville about the matter. A preliminary engineering report should probably be done to give the County more information.

Tax Revaluation

Phyllis Adams addressed the Board to present information on the revaluation schedule. The last revaluation was done in 2009. In 2011 the County postponed doing property revaluation until 2015. The Tax Office would like to postpone it again until 2017. Revaluation will have to occur then because it is required that one be done every 8 years. Doing a revaluation takes over a year and the cost is high. At this time the Tax Office does not see that doing a revaluation will result in enough change in property value to justify the expense of doing it.

Sales Map Presentation

Matthew Hamby and David Hayes presented the Board with information on a Sales Map they have been working on.

FY13-14 Budget

The County Manager and the Board discussed the criteria needed for the staff to begin work on the budget. The consensus of the Board was for the Debt Service to be \$4.8 million and keep the tax rate the same as it is now. The County Manager will see what amount would need to come from Fund Balance to accomplish this.

The Board wants to approve a Capital Improvement Plan in the near future and commit funds.

Vice Chairman Moxley made a motion to adjourn. Commissioner Welborn second.

Vote: 5/0.

Prepared by Tanya Gentry
Deputy Clerk to the Board

Kevin Austin, Chairman
Yadkin County Board of
Commissioners

Date approved by the
Yadkin County Board of Commissioners