

**MACON COUNTY BOARD OF COMMISSIONERS
JANUARY 19, 2013 – 9 A.M.
CONTINUED SESSION
MINUTES**

Chairman Corbin convened the continued session at 9:04 a.m. as recessed from the January 14, 2013 regular meeting. The meeting was held in the conference room of the Cecil L. Groves Center on the Macon County Campus of Southwestern Community College at 44 Siler Farm Road in Franklin, NC. All Board Members, the County Manager, Deputy Clerk, Finance Director, County Attorney, members of the news media and interested citizens were present. The purpose of the reconvened meeting was to hold a mid-year review and planning session.

RESOLUTION EXEMPTING ENGINEERING SERVICES: The County Manager explained that the board needed to formally approve a resolution exempting the county from the provisions of Article 3D of Chapter 143 of the state statutes as the cost of the preliminary engineering services for the proposed Parker Meadows Recreational Park is less than \$30,000, as the statute requires the exemption to be done in writing. Upon a motion by Commissioner Beale, seconded by Commissioner Tate, and following comments and questions from the board members, the board voted unanimously to approve the resolution as presented by the County Attorney (Attachment 1), a copy of which is attached and is hereby made a part of these minutes.

MACON COUNTY 2012, YEAR IN REVIEW: County Manager Jack Horton reviewed a number of items that took place during 2012, including the following: efforts to fill the need for a dialysis center in the county, the apron paving project at the airport, improvements to the Business Development Center, additional office space for the sheriff's department, the effort by the county to assume ownership of McCoy Bridge, the plan to use the former Cowee School as a community and

heritage center (for which the board needs to appoint an advisory committee), amendments to the planning board ordinance and the subdivision ordinance, improvements to the 911 call center, an ordinance prohibiting smoking and the use of other tobacco products within the county's parks system, the continuation of joint meetings with municipal officials, the 2012 update to the county's 10-year solid waste management plan, the 2012-13 budget process that provided for new emergency vehicles, the employee compensation and classification study commissioned by the board, renovations to the recreation park swimming pool, completion of the Little Tennessee River/Cartoogechaye Creek trunk sewer line, the adoption of a capital project ordinance for \$1.5-million in school computer equipment, water system improvements in the NC Highway 28 area, the consideration of additional recreation areas, the purchase of a mobile repeater for the Nantahala area, \$1.5-million in planned renovations at Highlands School, a number of debt refinancing moves that will save the county well over \$2-million over the life of those loans, and a project to complete renovations at Nantahala School by replacing the windows. The County Manager noted that the county is home to the only two K-12 schools in the entire state.

MID-YEAR FINANCIAL REVIEW: Finance Director Lori Hall presented a PowerPoint presentation, pointing out that general fund revenue is on track at the six-month mark, and went on to contrast budgeted amounts with actual figures at mid-year. Tax revenue is "a little ahead" of the same time last year, and she said that sales tax revenue is up 3.26 percent. Expenditures are five percent lower than at the same point last year (40 percent versus 45 percent). She told the board that the recent debt refinancings would save the county some \$2.7-million over the life of the loans. In looking at the county's general fund debt between 2014 and 2031, she explained there would be a sharp dropoff between 2014 and 2015 as Certificates of Participation are paid off. Following a discussion regarding the county's legal debt margin, board members expressed their appreciation to Ms. Hall for her efforts.

BUDGET CALENDAR FOR FISCAL YEAR 2013-14: The County Manager presented and reviewed the proposed budget calendar for the upcoming fiscal year (Attachment 2), a copy of which is attached and is hereby made a part of these minutes, and said that today kicks off the process. The consensus of the board and manager was the goal of not having a tax increase, but that was tempered by the understanding that the situation might change depending on action taken by the state legislature as it relates to education. No action was necessary.

NCACC LEGISLATIVE GOALS: Chairman Corbin, who serves on the North Carolina Association of County Commissioners (NCACC) Legislative Goals Committee, said the group would oppose any unfunded mandates and the shift of state responsibilities to the counties. Commissioner Beale, who is the First Vice President of the NCACC, said that the list of goals had been narrowed to five: (1) oppose the transfer of responsibilities to the counties, (2) reinstate Average Daily Membership (ADM) and lottery funds for school construction, (3) oppose unfunded mandates, (4) preserve the local revenue base and (5) insure adequate mental health funding. He also noted that Assembly Day has been rescheduled from June 5th to May 22nd.

REDISTRICTING: Commissioner Tate explained that he had a problem with the way in which the board was elected, pointing out that there is one representative for District 1, one for District 3, but three for District 2, and offered a scenario in which someone could run for a District 2 seat and lose, then run again for a different seat in District 2 two years later, while a person living in Districts 1 or 3 would have to wait four years to run again if they lost. Chairman Corbin noted that the school board had one "Highlands" district member, one "Nantahala" district member, two "Franklin" district members and one person was elected "at-large." Commissioner Tate said he would like to "have the discussion this year" regarding a change in redistricting for the commission, and Commissioner Beale suggested that the County Attorney investigate the state statutes to determine how that might take place. The County Attorney asked when the board would like a report, and the consensus was at the March regular meeting. No formal action was taken.

Chairman Corbin declared a recess at 10:48 p.m.

Chairman Corbin called the meeting back to order at 11:06 a.m.

TAX REVALUATION SCHEDULE: Tax Administrator Richard Lightner provided the board with an update on and a schedule for the upcoming 2015 property reappraisal. Mr. Lightner explained that it takes more than two years to complete the revaluation, and said the county's decision to delay it was good, as the real estate market is improving, there are more varied sales of different types of properties, foreclosures are stabilizing and there is now enough data available to develop a schedule of values. He told the board that the county's total valuation of approximately \$9.3-billion will be lower in 2015, which led to discussion of a revenue neutral tax rate. Following discussion regarding doing revaluations in-house as opposed to contracting them out, Mr. Lightner

and the board discussed the possibility of getting into the “tag business” due to the upcoming changes in how vehicle taxes will be administered.

INFORMATION TECHNOLOGY UPGRADE: Information Technology Director Andy Muncey gave the board information on the need to update the county’s 30-year-old tax software. He said completing the revaluation is the first step, followed by a two-year conversion process beginning in 2016 that will be complete before a new revaluation takes place in 2019. He outlined three solutions, which range from a high cost of \$1-million to \$1.5-million with annual fees of \$75,000 (with the county providing servers and staff) to a low cost of using software provided by the NCACC hosted on a virtual server staffed by a vendor at a cost of \$100,000 annually. No action was taken. Mr. Muncey addressed other IT issues, and told the board that cyber security was his department’s top priority for 2013-14, as the county’s computer system has been compromised twice and he is looking to redouble security efforts.

EMERGENCY SERVICES: Along with Emergency Services Director David Key, Commissioner Tate and the County Manager led a discussion regarding proposed shift schedule changes within the county’s emergency services. The County Manger explained that the request to the board was to move from a 12-hour “modified DuPont” shift to a “24 on/72 off” schedule that was healthier for the employee and would likely boost morale. After studying this for three months, the County Manager said patient care would not be compromised, but that it will cost the county more in overtime, although he added there was enough in the budget to cover the remainder of the fiscal year. Chairman Corbin and Commissioner Higdon voiced their belief that this was an administrative and not a board decision, and Commissioner Tate said he had spoken directly with a number of EMTs who were unanimous in their agreement for the shift change. The County Manager also explained that in order to have a third, full-time ambulance at the Franklin base, the county would need to create four new full-time EMT positions. The discussion then shifted to equipment needs, including the need to replace worn out ambulances by creating a five-year replacement plan, and Mr. Key outlined an opportunity to replace old defibrillator machines. The County Manager suggested that it was time to revisit the county’s ambulance fee structure, which has not changed in 10 years. Commissioner Tate projected that the service would need to replace two ambulances a year. The board members asked for additional information to be presented at the February 12th regular meeting, including a plan to create the four new positions.

Chairman Corbin declared at recess for lunch at 12:35 p.m.

Chairman Corbin called the meeting back to order at 1:11 p.m.

CAPITAL IMPROVEMENT PROJECTS: Led by the County Manager, the board conducted a lengthy discussion regarding a number of topics, including:

- The lack of state funding for public schools: The County Manager said a joint meeting with the Board of Education is tentatively scheduled for February 26th. He said that if the state cuts back on education funding, the school board is left with little recourse but to approach the county commissioners for assistance.
- School security issues: Commissioner Beale said that Sheriff Robert Holland was planning to request two new School Resource Officer (SRO) positions in the upcoming budget, adding that capital improvements to the entryways at schools need to be discussed. He also spoke of a program that would have deputies making breakfast and lunch stops at the schools.
- Capital improvements: Much of this portion of the discussion was devoted to the renovation plans for Highlands School, which is the only school capital project. The others included completing the Swiss Colony water system improvements, further study on a water line to the airport, matching funds for an aviation grant to widen the runway at the airport, and the “year of recreation” in which the swimming pool at the county recreation park will be renovated, as well as the start of the first phase of development of the proposed Parker Meadows recreation park. Commissioner Tate said that Town of Highlands officials were receptive to the idea of a new pool as opposed to a Band-Aid for the existing one.

EMPLOYEE CLASSIFICATION AND COMPENSATION STUDY:

Referring to the classification and compensation study completed by Springsted, Inc., the County Manager explained that the study found “lots of inequities” in the current pay plan, and added that he had spent time working to figure out how to fund one of the three plan options without using “one-time funds” from fund balance or raising taxes. With savings from refinancing debt and with increased sales tax revenue, he asked that the board consider funding Option 2 in the plan, which sets a new pay scale, would bring more than half of the employees up to a new minimum salary for their position, and give those who are “within range” a 2 percent pay increase. He continued by saying that the county employees are not “faceless bureaucrats” and that implementing the plan – hopefully by the end of the month – would send a real strong message to the employees, adding that, “It’s the fair thing to do.” Commissioner Higdon expressed concern that those in private sector had not seen pay

increases due to the economy, and Commissioner Tate said he had no problem with implementing the option, calling the employees “our greatest asset.” The discussion then turned toward the cost of benefits for retirees. Commissioner Beale then said he needed more time to look at the study results and suggested having John Anzivino from Springsted come back for a work session devoted to the pay plan, and the consensus of the board was to have that work session as soon as possible. No action was taken.

ADJOURN: With no other business, and upon a motion by Commissioner Beale, seconded by Commissioner Tate, the board voted unanimously to adjourn at 2:37 p.m.

Jack Horton, County Manager
Clerk to the Board

Kevin Corbin
Board Chairman