

**IREDELL COUNTY BOARD OF COMMISSIONERS
BUDGET WORK SESSION MINUTES
JUNE 5, 2003**

The Iredell County Board of Commissioners met for a Fiscal Year 2003-04 budget session on Thursday, June 5, 2003, at 6:00 p.m., in the Iredell County Government Center (South Wing Conference Room), 200 South Center Street, Statesville, NC.

Present were:

Chairman Steve D. Johnson
Vice Chairman Godfrey Williams
Marvin Norman
Sara Haire Tice

Absent: Commissioner Madison was unable to attend the meeting.

Staff present: Finance Director Susan Blumenstein, Inspections/Planning Director Lynn Niblock, and Clerk to the Board Jean Moore.

Absent: County Manager Joel Mashburn was unable to attend the meeting.

Call to Order by Chairman Johnson.

Courts Budget: Clerk of Court Rena Turner joined the commissioners for this segment of the meeting. She requested the purchase of four work-station cubicles.

Blumenstein said the increases in the courts budget were mostly due to the opening of the Hall of Justice Annex and the Government Center South facility. She said her office would obtain a cost estimate on the work stations for Mrs. Turner's office and share the information at the June 10 meeting.

Schools: Superintendent Dr. Terry Holliday and Finance Officer Terry Haas attended the meeting in regards to the Iredell-Statesville School System.

Dr. Holliday said his purpose in being at the meeting was to insure the commissioners understood that full disclosure had been given about sales tax reimbursements to the school system.

Blumenstein said sales tax information was included in the school system's current expense budget request (page 21). She mentioned that overall, the county would receive about \$625,000 less than what had been budgeted in sales taxes. Blumenstein said the stagnant economy, the change in the method of reimbursements (point of delivery vs. point of sale), and the change allowing refunds to schools, municipalities, hospitals and nonprofits were some of the reasons the county's reimbursements would be lower.

Holliday said that prior to the new law, many school systems ran their capital projects through the counties for the purpose of receiving the sales taxes.

Request for Approval of Budget Amendment #45A: Mrs. Blumenstein requested approval of a budget amendment to recognize the receipt of beer and wine sales taxes. She said the amendment would appropriate \$197,290 to the Iredell-Statesville School System and \$44,099 to the Mooresville System. She distributed a handout that contained the following information to explain the request.

May 2002: The 2002-03 budget submitted to the commissioners included State reimbursements of \$3,113,120 and appropriated \$761,904 to a contingency fund to provide up to a 3% increase in school current expense funding as reimbursements were received.

Later, when the General Assembly eliminated reimbursements from the State budget, the commissioners instructed the staff to eliminate the \$3,113,120 in the budget, eliminate the

\$761,904 from contingency for the schools, and budget an interfund loan from the solid waste disposal enterprise fund of \$2,351,215.

October 15, 2002: The commissioners adopted a resolution to levy a third ½ cent sales tax beginning December 1, 2002. Commissioner Williams made a motion to adopt the resolution and Commissioner Bowles amended the motion to say that the sales tax would replace the amount budgeted as a loan from Solid Waste and for the difference to be appropriated to the schools.

The General Fund budget was then amended as follows.

<u>Revenue</u>	
Add: Article 44 Sales Tax	\$2,474,780
Deduct: Interfund Loan from Solid Waste	<u>(2,351,215)</u>
Net Increase in Revenue	<u>123,565</u>

<u>Expenditures</u>	
Add: Current expense appropriation	<u>123,565</u>

The additional \$123,565 has not been paid to the school systems.

May 30, 2003: Beer and Wine revenues of \$343,104 were received. The money was withheld from the counties during the prior fiscal year, and it was not budgeted for FY 2003-03.

Receipts from the Article 44 Sales Tax are estimated to be 2,249,500 or \$225,280 less than was anticipated when the budget was amended in October.

The correct amount of appropriation to increase current expense to the schools, based on the understanding of the motion made on October 15, 2002 is:

Article 44 Sales Tax	2,249,500
Beer & Wine Taxes	343,104
Total available	2,592,604
Less: Loan from Solid Waste	<u>(2,351,215)</u>
Current Expense Appropriation	241,389
Iredell-Statesville	197,290
Mooresville Graded	<u>44,099</u>
	<u>241,389</u>

MOTION by Commissioner Tice to approve Budget Amendment #45A to recognize the receipt of beer and wine sales taxes and to decrease the expected revenue from the ½ cent sales tax. (The amendment will appropriate \$197,290 to the Iredell-Statesville School System and \$44,099 to the Mooresville System.)

VOTING: Ayes – 4; Nays – 0.

Dr. Holliday asked if the 1% of the 5% in capital outlay would be a recurring amount. He said that if the school system could depend on this amount it would help in capital planning. Holliday said the bids for the Certificates of Participation issuance (\$24 million) were over budget. He said that if there were assurances the 1% continued in the future, the system could make sure the new school in the southern zone could accommodate 800 instead of 600 students.

Commissioner Williams and Johnson both expressed concerns about making the commitment. Williams said it was uncertain as to whether or not the Public School Building Capital Fund money would ever be seen again.

Dr. Holliday said an excellent compromise might be to direct that the beer and wine tax money be used for capital projects. He mentioned the system was having to cut \$1.2 million out of the State budget.

Commissioner Tice said that if the new school could accommodate 800 students, it would really help with the growth expected from the Lowes complex.

MOTION by Commissioner Williams to return 1% to current expense and to direct that any future year beer and wine tax money be restricted to school capital.

Ayes – 4; Nays – 0.

Five-year Capital Projects Plan: Support Services Director Vernon said some of the smaller projects had been deleted from the capital projects plan proposed on March 18. He said the library bids opened on June 4 were well within the budget, and it might be best for the county to use a single-prime construction method.

Commissioner Williams said a five-year layout showing the location of the governmental offices would be helpful.

MOTION by Commissioner Johnson to adopt the Capital Projects Plan as presented with an emphasis being that the adoption of the plan pertained to the order in which the county was to proceed and the board of commissioners retained flexibility in the timeline.

VOTING: Ayes – 4; Nays – 0.

(The plan is incorporated into the minutes as Attachment A.)

Planning & Enforcement Budget: Inspections and Planning Director Lynn Niblock, said his department needed more space, and the city had agreed to lease 697 sq. ft. in the city hall building (third floor). Niblock said the cost would be \$3.48 a sq. ft., or \$2,436 annually, and an addendum could be added to the contract. He said the additional space would allow for the consolidation of the addressing and subdivision areas and assist the current employees as well as the new planner position.

Blumenstein said she could “tweak” the revenues to find the needed \$2,500 for the extra space.

MOTION by Commissioner Tice to approve the planning and enforcement budget as proposed by the county manager with the exception of adding \$2,500 in rent expense.

VOTING: Ayes – 4; Nays – 0.

The following budgets were then reviewed.

410- Commissioners: No changes from manager’s proposed budget.

415- Administration: No changes from manager’s proposed budget.

420- Human Resources: No changes from manager’s proposed budget.

425- Elections: No changes from manager’s proposed budget.

430- Finance: No changes from manager’s proposed budget.

435- Tax Administration/Land Records: No changes from manager’s proposed budget.

445- Information Systems: No changes from manager’s proposed budget.

450- Register of Deeds: No changes from manager’s proposed budget.

457-Meeting St. Sevice Ctr.: No changes from manager’s proposed budget.

458-Government Ctr. South: No changes from manager’s proposed budget.

460-Vehicle Service Center: No changes from manager’s proposed budget.

465-Courts: Two changes (phones and cubicles) will be discussed at the June 10 meeting.

475-Economic Development: No changes from manager’s proposed budget.

485-Special Appropriations: It was mentioned that Big Brothers Big Sisters (BBBS) Executive Director J.C. Byers appeared before the board on June 3, 2003, requesting \$5,000 annually for five years. Mrs. Blumenstein noted that three years ago

Mr. Byers requested \$5,000 annually over a three-year period to assist with a mortgage payment. She said this was approved and the county had been annually funding the agency; however, last year it suffered a 4.5% (\$4,775) cut back -- the same as all county departments and special appropriations. Blumenstein said that for FY 03-04, the manager had recommended \$2,500 for the agency.

Commissioner Williams said he would like for the BBBS to receive the \$5,000.

Rescue Squads: A question was asked about the formula used for the rescue squads. Blumenstein said that in the past, a cycle had been used where the squads were given the same of money for three years and then during the fourth year, the formula was recomputed. She said it was based on the area served and the number of calls. She said it might be time to establish a committee to review the funding formula.

Vance House Restoration: Chairman Johnson said he would like to see the Vance House receive a one-time appropriation for its improvement project.

MOTION by Commissioner Williams to appropriate \$2,500 to Big Brothers Big Sisters (this will bring the total to \$5,000 for FY 03-04) and to appropriate \$2,500 to the restoration of the Vance House.

VOTING: Ayes – 4; Nays – 0.

Note: The motion strictly pertains to budget year 03-04 for both agencies.

Medicaid: Blumenstein said it was recently learned the county's Medicaid share could be cut by \$328,220. She said, originally, the county's share had been budgeted at 15%; however, this could now be decreased to 8%.

Adjournment: **MOTION** to adjourn at 9:15 p.m. by Chairman Johnson. Next Meeting: Tuesday, June 10, 2003, 6:00 p.m., Iredell County Government Center, (South Wing Conference Room) 200 South Center Street, Statesville, NC.

VOTING: Ayes – 4; Nays – 0.

Approved: _____

Clerk to the Board