

IREDELL COUNTY BOARD OF COMMISSIONERS
BUDGET SESSION
MAY 13, 2002

The Iredell County Board of Commissioners met for a Budget Session on Monday, May 13, 2002, at 5:30 p.m., in the Iredell County Government Center (South Wing Conference Room), 200 South Center Street, Statesville, NC.

Present: Chairman Sara Haire Tice
Vice Chairman Karen B. Ray
Tommy E. Bowles
Steve D. Johnson
R. Godfrey Williams

Staff Present: County Manager Joel Mashburn, Finance Director Susan Blumenstein, and Clerk to the Board Jean Moore.

COMPUTATION OF THE GENERAL FUND BALANCE FOR FY 2002-2003: Finance Director Blumenstein said the estimated unreserved, undesignated, fund balance as of June 30, 2003 would be \$10,701,010. She said this would be 10.64% of the General Fund expenditures. Blumenstein said this compared to an FY 2001-02 fund balance of 10.36%.

SCHEDULE OF PERSONNEL POSITIONS: County Manager Mashburn said the county currently had 721.9 personnel positions. He said the department heads had requested an additional 25.1; however, he was only recommending 11.6. Mashburn said the positions being recommended were: a Tax Appraiser, a .5 processing assistant in the tax office, a law enforcement officer (COPs Supervisor), a school resource officer (new Lake Norman High School), a public health nurse (jail), a bailiff, three social services income maintenance caseworkers, a .3 dental assistant (health dept.), a .8 dental hygienist (health dept.), a processing assistant (health dept.), and an office assistant (health dept.). In addition, Mashburn said that in July, four new positions would be added when the county assumed the transportation services from the Vocational Workshop.

EMPLOYEE SALARY INCREASES: Mashburn said he was recommending a 4% pay package for the employees with 1.5% being in an across the board increase effective July 1 and 2.5% being available for the reinstatement of the merit system. He said the employees having a June anniversary date would be the first group to be evaluated.

Mashburn said funds were also in the budget for reclassifications. He said that in order for an employee to be reclassified, data had to be shown that either (1) a greater level of job responsibility had been assumed or (2) a higher level of skill was being required for the job. Mr. Mashburn said additional work did not justify a reclassification.

CAPITAL OUTLAY REQUESTS: Mashburn said the departments had requested capital outlay items totaling \$2,115,582, but he was only recommending that \$1,436,467 be spent.

Blumenstein said that for the last couple of years, the county had been leasing computers, but it was now recommended for this practice to be discontinued and to buy out the leases. Mrs. Blumenstein said this would occur because there was still a "useable life" in the equipment. She said that in the future, the information systems management employees would be relied upon to suggest where new computers were needed.

CAPITAL RESERVE FUND: Mrs. Blumenstein said \$2,170,739 would be available to construct the new library.

Blumenstein said Schedule F provided a listing of the commitments for the county. She said that in the past, \$179,635 had been listed for a social services land purchase. Blumenstein said this could now be eliminated. She mentioned that for

several years commitments to the Town of Mooresville, the City of Statesville and the Sherrill Industrial project had been listed. Blumenstein mentioned the possibility of appropriating the funds upon request and deleting them from the capital reserve fund.

No decision was made, and the staff agreed to review the capital reserve matter and report back to the commissioners at another budget session.

Mr. Mashburn said that due to a shortage of funds, no additional money was being placed in the Capital Reserve Fund for 2002-03. He said this was a change from past tradition.

COUNTY-WIDE FIRE TAX DISTRICT: Mrs. Blumenstein reviewed the fund balance for the county-wide fire tax district.

MOTION by Commissioner Williams to transfer \$355,852 in county-wide fire tax district unreserved, undesignated fund balance to the Reserved for Debt Repayment Line Item.

VOTING: Ayes – 5; Nays – 0.

Mrs. Blumenstein said that with Mr. Williams' motion, the total estimated fund balance as of June 30, 2003 for the county-wide fire tax district would be \$755,159.

MT. MOURNE VFD: Mrs. Blumenstein said an increase from 2.75¢ to 3.25¢ would be needed to fund the Mt. Mourne VFD request. She said the estimated fund balance for this department as of June 30, 2002 would be \$131,891.

SHEPHERD'S VFD: Mrs. Blumenstein said the estimated fund balance for this department as of June 30, 2002 would be \$120,172.

Commissioner Bowles said he understood that representatives from the Shepherd's Volunteer Fire Department might seek additional funding from the county. Bowles said the fire department needed additional money for the new building.

EAST ALEXANDER VFD: Blumenstein said the estimated fund balance for the East Alexander VFD as of June 30, 2002 would be \$4,617.

SCHOOLS

Iredell-Statesville School System: Blumenstein said \$3,585,765 had been budgeted for capital outlay funds for the Iredell-Statesville School System. She said the budget ordinance would have to detail the projects being planned.

Mooresville Graded School System: Blumenstein said \$1,146,835 had been budgeted in capital outlay funds for the Mooresville Schools.

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Mr. Mashburn said the county allocated current expense funds to the two school systems on a per pupil basis. He said it was recently revealed that the Iredell-Statesville School System had not been including the charter school students in the pupil count to the county. He said a form from the Department of Public Instruction in Raleigh was used for the ADM (average daily membership) appropriation. Mashburn said the state form did not include the number of charter students. He said it was the responsibility of the school systems to report the number of charter students to the county. Mr. Mashburn said the Iredell-Statesville School System had 595 charter students and Mooresville had 5. He said that for 2002-03, a per pupil appropriation of \$1,107 was recommended.

Mitchell Community College: Mrs. Blumenstein said \$550,000 was the amount recommended for the college in capital outlay funds, and \$1,609,370 had been budgeted for current expense.

(Note: School officials will discuss their budgets at the May 14 meeting.)

OPTIONS FOR THE COUNTY IF THE STATE DOES NOT RELEASE REIMBURSEMENTS: The county manager said the following five options were available if the state did not release the county reimbursements during the upcoming year.

Reimbursements budgeted for:

Intangibles Taxes	1,125,000
Beer & Wine Excise Tax	330,000
Elderly Exemption	79,200
Inventory Taxes	<u>1,578,920</u>
	\$ 3,113,120

Option A

Increase Ad Valorem Tax Rate by 3¢	
(Average house & lot in Iredell County valued @ \$126,425 x .03 per \$100 = \$37.92)	\$ 3,176,715

Option B

Reserve Increase in School Current Expense	761,904
Freeze Capital Outlay expenditures other than funded by grants, Medicaid max, or seized funds	642,495
Freeze Transfer to Fund Balance (other financing uses)	613,995
Transfer unspent funds from prior year commitments from Capital Reserve Fund	550,460
Borrow from Solid Waste Escrow for Closure & Post-Closure	<u>544,266</u>
	\$ 3,113,120

Option C

Reserve Increase in School Current Expense	761,904
Transfer unappropriated funds in the Capital Reserve Fund & borrow balance to finish Library	<u>2,351,216</u>
	\$ 3,113,120

Option D

Reserve Increase in School Current Expense	761,904
Borrow from Solid Waste Escrow for Closure & Post-Closure Costs	<u>2,351,216</u>
	\$ 3,113,120

Option E

Transfer unspent funds from Library Capital Project Fund and unappropriated funds from Capital Reserve Fund to the General Fund & borrow the entire cost to build new Library	\$ 4,733,539
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This option would provide funding for the General Fund including the \$761,904 increase in school current expense that has been placed in the Contingency Fund and pay for the Jail Annex project as presented by Sheriff Redmond.

UPDATE ON SALES TAX DISTRIBUTIONS: Blumenstein said she recently received a quarterly sales tax report. She said the one percent sales tax (point of delivery) was “holding its own.” In regards to the 1983 ½% sales tax and the 1986 ½% tax (sales taxes statewide & then distributed to counties by population), she said these were still “lagging behind.” Mrs. Blumenstein said the report indicated that for all three taxes, the county should receive \$24,506 more than anticipated.

REVIEW OF DEPARTMENTAL BUDGETS: Mr. Mashburn said that all of the departments had been cut 4.5%. The following budgets were reviewed by Mashburn and Blumenstein.

- 410 - Commissioners: No changes from manager’s recommendations.
- 415- Administration: No changes from manager’s recommendations.
- 420- Human Resources: No changes from manager’s recommendations.
- 425-Elections: No changes from manager’s recommendations. (Mashburn noted that \$44,000 had been cut for eight voting machines.)
- 430-Finance: No changes from manager’s recommendations. (Blumenstein stressed that new payroll software would have to be purchased in 2003-04.)
- 435-Tax Administration: No changes from manager’s recommendations.
- 445-Information Systems Management (ISM): No changes from manager’s

recommendations. Blumenstein said there was one position not filled in this department. She said the three ISM employees were just maintaining the county's current systems, and nothing new could be added due to the lack of staff.

450 Register of Deeds: No changes from manager's recommendations.

Commissioner Ray questioned why additional employees were approved for the tax office but not the Register of Deeds.

Mashburn said the tax office "had to go out to collect the revenues." He said the Register of Deeds' customers went to the office for service.

Commissioner Williams asked if any of the technology and preservation funds could be used for some of the requested items.

The county manager said he would review the General Statutes.

455-Maintenance & Support Services: No changes from manager's recommendations.

457-Meeting Street Service Center: No changes from manager's recommendations.

458-Iredell County Government Center-South: No changes from manager's recommendations.

460-Vehicle Service Center: The county manager said a new 18,000 lb. truck lift was being requested.

Commissioner Bowles suggested that a lift holding more weight be purchased. He mentioned the possibility of acquiring a 28,000 lb. lift since the EMS trucks seemed to be getting larger. He said there was not that much difference in the cost.

550-Animal Control: No changes from manager's recommendations.

635-Veterans Services: No changes from manager's recommendations.

ADJOURNMENT: **MOTION** by Chairman Tice 9:30 p.m., to continue the budget session to Tuesday, May 14, 2002, at 5:30 p.m., in the South Wing Conference Room of the Iredell County Government Center, 200 South Center Street, Statesville, NC.

VOTING: Ayes – 5; Nays – 0.

Approved: _____

Clerk of the Board