

May 31, 2016

The Randolph County Board of Commissioners met at 6:00 p.m. for a special budget session in the 1909 Randolph County Historic Courthouse Meeting Room, 145 Worth Street, Asheboro, NC. Commissioners Frye, Kemp, Haywood, Allen, and Lanier were present. Also present were County Manager Hal Johnson; Finance Officer Will Massie; County Attorney Ben Morgan; County Staff Attorney Aimee Scotton; Amanda Varner, Clerk to the Board; Dana Crisco, Deputy Clerk to the Board.

The purpose of this meeting was to hear a formal presentation of the Proposed FY 2016-2017 County Budget and budget requests from the County and City Schools, Randolph Community College, and Sandhills Center Mental Health.

Will Massie, Assistant County Manager/Finance Officer, presented the Proposed FY 2016-2017 Budget, totaling \$122,398,805 which is an increase of \$4,135,888 over the 2015-2016 adopted budget. Despite the increase, the Proposed General Fund Budget is presented with a quarter-cent decrease to the property tax rate (to 65.25 cents per \$100). This will save the taxpayers \$259,875 on the property tax levy in 2016-17. To fund all of the requests this year, a property tax rate of 67.62 cents would have been necessary. The Proposed Budget covers many of the requests from departments.

Mr. Massie said that the 2016-2017 revenue trends show that sales tax volume has been growing and the legislative changes to tax revenue disbursements are having a positive effect on County funds, which are important to the budget. Property tax valuation continues to improve as well.

The priorities included in the Proposed Budget were:

- to not increase the property tax rate,
- limit any appropriation of fund balance for recurring costs,
- identify the best use for the new revenue stream from regional landfill,
- fund departmental operations at the level necessary to maintain public safety and other critical services that citizens require,
- identify existing cost savings, reallocate resources to address critical needs in other departments,
- include year three of the modernization of Emergency Services,
- fund the pay plan to improve employee recruitment and retention, and
- to improve the current level of financial assistance to public schools and the community college.

Property Tax Levy Summary

Estimated \$10.5 billion valuation in FY 2016-17 Budget

- Collection rate 99.0%
- Proposed quarter-cent decrease in property tax rate to \$0.6525 per \$100 valuation
- One cent on tax rate equals \$1,039,500
- Total Levy \$67,827,375

05/31/2016

Additional personnel (salary plus benefits) for support services, safety, essential technology, and facility maintenance which are funded in the proposed budget are as follows:

Personnel:

| | |
|---|------------------|
| • Information Technology (Infrastructure Services Specialist I) | \$52,738 |
| • Public Buildings (Maintenance Worker) | \$42,236 |
| • Public Buildings (Maintenance Technician) | \$47,817 |
| • Emergency Services (Emergency Management Coordinator) | \$68,028 |
| • Sheriff (Captain Professional Standards) | \$85,714 |
| • Sheriff (Clerk III) | \$41,212 |
| • Cooperative Extension (Livestock Extension Agent) | \$62,121 |
| • Child Support Services (Office Assistant III) | <u>\$12,883</u> |
| | \$412,749 |

There are nine additional positions that were requested but unfunded in the Proposed Budget: four deputies in the Sheriff's Office and five positions in Emergency Services - one EMS Manager and four Community Paramedics. Mr. Massie stated that the County is considering a Paramedicine program but more preparation is needed before funding positions.

Recognizing the effect of inflation, management recommended an employee cost of living pay adjustment of one percent and a two percent pay plan adjustment to bring the compensation closer to the regional market, where the County competes with other governments and with private industry. Mr. Massie said the funding will improve the County's ability to recruit and retain those qualified individuals and provide for succession planning. He said losing experienced employees creates a problem for departments. He also mentioned that funds have been included for a classification study so that one-third of the positions can be reviewed each year to keep them updated with market trends.

For education, Mr. Massie said a 1% increase has been included in the total allocations for the public schools. The County's commitment to education is 34% of total expenditures.

| | | Requested | Proposed |
|----------------------------|----------------------|--------------|--------------|
| Randolph County Schools | Current Expense | \$19,064,995 | \$17,637,691 |
| | Current Capital | \$ 2,206,883 | \$ 2,204,366 |
| | Construction Capital | \$ 750,000 | \$ 750,000 |
| Asheboro City Schools | Current Expense | \$ 5,075,000 | \$ 4,733,809 |
| | Current Capital | \$ 757,750 | \$ 591,634 |
| | Construction Capital | \$ 350,000 | \$ 350,000 |
| Randolph Community College | Current Expense | \$ 2,495,780 | \$ 2,460,000 |
| | Current Capital | \$ 405,000 | \$ 402,400 |

The \$12,337,424 needed to fund debt service requirements is 10% of the Proposed Budget; the Debt Policy limits this ratio to 15%. Below is the 2016-17 Debt Service by purpose:

| | | |
|-----------|----------|-------|
| Principal | Interest | Total |
|-----------|----------|-------|

| | | | |
|-----------------------|--------------------|--------------------|---------------------|
| Randolph Co. Schools | \$5,898,454 | \$2,129,966 | \$8,028,420 |
| Asheboro City Schools | 989,273 | 229,353 | 1,218,626 |
| RCC Facilities | 302,696 | 27,940 | 330,636 |
| County Buildings | 1,805,655 | 396,220 | 2,201,875 |
| Water Projects | 479,709 | 64,158 | 543,867 |
| | <u>\$9,475,787</u> | <u>\$2,847,637</u> | <u>\$12,323,424</u> |

Mr. Massie spoke briefly about the continuous drop in the State lottery monies that come to the County and are used for public school building capital funding.

Mr. Massie proposed renaming the Landfill Closure Fund to Solid Waste Management Fund to reflect the intended purpose of the funds. It will continue to fund any issues related to the closed landfill but can be used for other purposes such as recycling and potential new convenience sites.

The County's FY16-17 Emergency Telephone System Fund allocation was originally proposed at \$659,358. Mr. Massie said the County applied for additional 911 funding from the NC 911 Board to cover the costs of eligible items for the new Emergency Services Headquarters and was notified last week that the request was approved for the one-time funding. The revised allocation is \$1,838,378.

Five fire departments have asked for fire district tax increases: Bennett, Farmer, Franklinville, Northeast, and Westside.

Mr. Massie said that management has been considering the best revenue stream for the income from the Regional Landfill lease and asked County Manager Hal Johnson to elaborate.

Mr. Johnson said that through the strategic planning process, common themes emerged: economic development recruitment, workforce development opportunities, behavioral/special needs, various health challenges, and a culture of well-being. He said "It is the role of government to protect the health, safety and well-being of its citizens. The plan is almost meaningless if a way to implement it is not established. In order to address the issues that were identified, management recommends setting aside the \$1 million lease monies coming from the new regional landfill in special reserve accounts outside of the General Fund. These funds will be utilized as needed and approved by the Board of Commissioners.

He recommended 40% of the fund be used to enhance recruitment of businesses and industries throughout the county. He said there are a lot of ways enhancement could be accomplished but one thought was to expand the capability and organization of the Economic Development Corporation which may be able to be accomplished with an additional staff person devoted specifically to recruitment. Another way suggested was to also recognize the resources of local chambers of commerce in creating expanded economic development efforts.

Another 40% would be placed toward health and well-being to develop proactive prevention programs that could reduce the debilitating and costly effects of existing and emerging community

health and mental health challenges. Recruitment of primary health care providers and facilities should be expanded as a vital component of the health challenges strategy. The well-being of a community involves many components that can improve the overall quality of life for the citizens. It also would promote and support access to natural trails and parks and recreation, not only for the health benefits, but also because it has an impact on economic development recruitment and the community's overall quality of life. It is meaningful for new businesses to come into the community and see that it provides support for those type activities. Mr. Johnson stated the proposed Agri-Business Civic Center will have a major impact on the agricultural community and would also impact economic development and tourism in a positive way.

Mr. Johnson said the final 20% should be used toward workforce development to create opportunities for our citizens to develop their special talents through support of new and innovative workforce development programs that support existing businesses, entrepreneurship, on-the-job training initiatives, internships, and apprenticeships.

He suggested a Strategic Planning Implementation Committee be appointed by the County Commissioners to work with the office of the County Manager and to make recommendations to the County Commissioners on allocation of available funds as programs are identified and organized.

Mr. Massie concluded the budget presentation by listing the current construction projects in the Capital Improvement Plan: Emergency Services Headquarters, Animal Shelter, RCC Cosmetology Center and RCC Photography Department.

Asheboro City Schools Presentation

Dr. Terry Worrell, Asheboro City Schools (ACS) Superintendent, reported that the goals of the 2016-2017 budget are to sustain essential services to the students and focus on how they can better recruit, retain and develop each of their educators.

Asheboro City Schools has requested \$5,075,000 in current expense funding; \$4,733,809 is in the manager's proposed budget. A total of \$757,750 has been requested in capital funding; \$591,634 has been included in the manager's proposed budget. \$350,000 in construction capital has been requested and is in the manager's proposed budget.

Dr. Worrell urged the Board to approve an increase in current expense by approximately \$407,995 to cover the continuation and expansion budget items over the 2015-16 appropriation. Dr. Worrell asked the Board to approve the current tax rate of .15 cents for the Asheboro City Schools Supplemental Tax District.

Dr. Worrell outlined capital outlay needs, as follows: roofing projects, windows, mechanical units, painting, insulation, and masonry. Other capital needs include equipment, furniture, and technology. Total capital outlay requested: \$1,107,750.

Dr. Worrell concluded by thanking the Board for their continued support of Asheboro City Schools and their vision.

Randolph County Schools Presentation

Dr. Stephen Gainey, Randolph County Schools (RCS) Superintendent, presented the Randolph County Schools budget request. A total of \$19,064,995 in current expense has been requested; \$17,637,691 has been included in the proposed budget. For capital funding, RCS is requesting \$2,206,883; \$2,204,366 has been included in the manager's proposed budget.

Dr. Gainey reviewed the three highest priority current expense requests: 1) Continuation costs - \$382,000; and 2) Supplement Increase (1%) - \$1,200,000. The total additional current expense request is for \$1,582,000.

Dr. Gainey said that RCS is now in year 3 of the nine-year facilities plan that was presented to the Commissioners in January and then again in March. He stated that they are not asking for an increase in their capital outlay.

The Archdale-Trinity Supplemental Tax Council requested that the current rate of 9.54 cents be approved.

Dr. Gainey thanked the Board for their partnership and continued support.

Randolph Community College (RCC) Presentation

RCC President Bob Shackelford reviewed recent, current and future construction projects, new programs added since January 2007, and programs that have expanded. He said facilities have been built not only to increase capacity, but also to house the programs that have been added for students to learn life and job skills needed. He also spoke of the success of students of RCC and how the majority are employed in their field by graduation.

He asked the board to consider their request of \$2,495,780 which is \$92,780 more than FY15-16. The increase is due to the continuing rise in the cost of insurances, campus security, and the things they have no control of. The manager's proposed budget includes an appropriation of \$2,460,000. Dr. Shackelford said they wanted to continue to be an economic tool in Randolph County and thanked the Board for their continued partnership.

Sandhills Center Presentation

Victoria Whitt, Sandhills Center CEO, provided a program update and budget request. Ms. Whitt said that the current Board is composed of 21 members from a nine-county membership. For the 12th consecutive year, the Sandhills Center board had voted to not request any additional funding from any of the counties.

The County paid off the Walker Street (Daymark) building and Sandhills recently agreed to recognize use of the building as an in-kind donation in lieu of paying rent. The current allocation is \$844,000 but removing the building payment changes the FY16-17 request to \$742,600. Ms. Whitt reminded the Commissioners that all of this funding stays in Randolph County and supports two walk-in crisis centers (operated by Daymark Recovery) for indigent citizens: one located in Asheboro and one in Archdale. Ms. Whitt presented statistics on the number of citizens served in Randolph County.

Ms. Whitt said she recently met with each county to find out their specific needs in order to better direct funds. Since the meeting with Randolph County officials, she has been working

with the Sheriff's Office to identify someone to do assessments on inmates at the jail and with the Health Department to provide opioid treatment options for pregnant women. Other programs being addressed are ones that were identified as strategies under some of the goals established in the strategic planning process. She said these are in varying stages: implementing specialty courts, expanding the mobile crisis team in Randolph County, and working toward community awareness activities to educate the public about behavioral health and the services available.

She also provided the annual and last quarterly report documents which included highlights of programs offered at the Sandhills Center.

Lastly, she gave an update on state level issues that could affect Sandhills and the nine counties. The funding has been cut substantially again in the State proposed budget. Also, the DHHS Secretary has proposed further consolidating some LME/LMOs down to only three or four instead of the current eleven. She doesn't think it will be addressed in the current short session. Most counties agree that it is not in the best interest for their county.

Adjournment

At 7:28 p.m., there being no further business, a motion was made by Allen, seconded by Lanier to adjourn.

Darrell L. Frye, Chairman

Phil Kemp

Arnold Lanier

Stan Haywood

David Allen

Amanda Varner, Clerk to the Board