

**STATE OF NORTH CAROLINA
COUNTY OF AVERY**

The Avery County Board of Commissioners held a Budget Workshop on Thursday, May 16, 2019 at 6:30 p.m. in the Commissioners Board Room, Avery County Administrative Complex, 175 Linville Street, Newland, NC. The purpose of the meeting is to discuss and take any action necessary regarding the Fiscal Year Budget 2019/2020.

Members Present: Martha Hicks, Chair; Blake Vance, Vice-Chair; Dennis Aldridge; Tim Phillips; Wood Hall Young, Jr.

Call To Order

Chair Hicks called the meeting to order at 6:30 p.m.
Dennis Aldridge led prayer.

Sheriff Kevin Frye attended the budget workshop to discuss leasing vehicles for the Avery County Sheriff's Office. Sheriff Frye handed out several documents regarding the leasing. One document was from the NCACC Risk Management Insurance stating that an addendum could be drawn up to cover the vehicles under the insurance. Another document was an internal audit from Lake City, Florida that outlined the savings that had been accomplished through the leasing program. The last document was a letter from Bertie County, North Carolina that had been on the leasing program for two years stating that they were seeing savings with this program.

Wood Hall Young, Jr. raised the concern that if we quit the program then we would be several vehicles down and ½ million dollars in the hole. Sheriff Frye stated that he believed that this program would work and that there would be savings on fuel and maintenance. Dennis Aldridge stated that he thought it would lower the median age and mileage of the fleet vehicles. Also, it would eliminate having this discussion every year. We will have a fixed plan to how this is going to be approached for the year. We are trying to arrive at a fixed cost. On the down side he said he was not sure that there would be savings but that it would be a break even type of thing. What we are getting is a better fleet overall that we know and that is going to be transitioned out on a regular basis. I see the logic in this but there is a part of me that is concerned because of the unknowns.

Blake Vance said there has not been an adequate solution in the past 6 or 7 budget cycles and we have a duly elected Sheriff and this is his recommendation and we don't have a good reason not to do this so I think we should try it.

Dennis Aldridge questioned if the County was going with the leasing from a public trust standpoint when people see eight new vehicles, how could we have any kind of a check and balance system with the officers?

Sheriff Frye stated that there will be a manager assigned to us that will evaluate each vehicle in regard to mileage, etc. Tim Phillips said when you are driving your own

vehicle you take better care of it, when you are driving leased vehicles you may be a little more careless. Sheriff Frye stated that the GPS system will help a lot on the wear and tear of the vehicles.

Tim Greene, Finance Officer, stated that no matter if you lease or buy you have the same rotation. From a financial standpoint there is no way you can lease and pay interest and not own the vehicle cheaper than buying it outright. They probably do have a better market for resale. We have four coming in the door any day and if we buy four more this budget year that will be eight vehicles that have been replaced. Sheriff Frye stated that fleet leasing is much different than personal leasing. This leasing has been endorsed by the NCACC.

Right now we have officers doubling up on cars. If we buy four vehicles this year we are still going to be in just as bad a shape next year.

Sheriff Frye stated the only way it would be feasible for us to get out of this hole is to buy seven or so cars for the next few years. Wood Hall Young, Jr. asked if it would not be feasible to lease four and buy two. That is going to keep us from getting in the hole in the event that we pull out of the lease. Tim Greene stated that I don't believe we are in a hole.

There was considerable discussion regarding leasing vehicles.

Tim Greene stated that in five years the lease gets to \$256,000 and stays there. At \$34,000 that is 7 ½ vehicles every year if the price stays constant. Sheriff Frye said if you agree to buy me 7 or 8 vehicles every year I am all for it and we can throw this away. That is what we will be paying every year on the lease payment.

Blake Vance said it looks like to him that if we buy seven this year this would help us catch up. If the board is hesitant about the lease, why don't we buy seven this year and intend that if we replace four every year and then on the fifth year buy seven and that would keep you up with the vehicles.

Recess

Chair Hicks called for a brief recess.

Chair Hicks declared the meeting to be back in session after a brief recess.

Chair Hicks said we have heard buy seven cars and we have heard lease vehicles.

Consensus by a majority of the Board to buy seven vehicles for the Sheriff's Office. Dennis Aldridge said if we can break even over the next ten years buying or leasing, I think leasing is a better option. I don't think there is any way we can look at it in terms of saving money but I do think there is the possibility of breaking even. I think this might be a way to streamline and upgrade the fleet.

Avery County Schools

Phillip Barrier, County Manager, stated that the Board of Education has asked for \$4,759,552.00 which is an increase of \$118,000.

Discussion regarding the increase for Avery County Schools operational budget.
Discussion about the Avery High School Renovation and Addition budget.

Consensus to fund the \$750,000 in capital for the Avery County Schools budget.

Unanimous consensus to fund 4.7 million dollars which is still an increase in the operational for Avery County Schools.

Mayland Community College

Mayland has asked for \$354,640.00 in operational and this will get us to the amount that the other counties are funding. Consensus to fund \$354,640.00 in operational.

Majority consensus to fund capital at \$20,000 for Mayland Community College.

Nonprofits

Blake Vance proposed that the nonprofits be kept just as they were last year and not fund any new ones.

There was discussion regarding the nonprofits.

Majority consensus to leave the nonprofits at last year's levels. Mr. Phillips stated that if we fund the same ones year after year there is not much use in them turning in the paperwork.

Capital Needs

Discussion regarding fencing at the playground. Majority consensus to allocate \$8,000 for a fence for the playground. This is leaving the creek bank open.

Discussion regarding solid waste vehicles. There is a 96 Kenworth that is used for back up with the roll off trucks, a 2001 Peterbilt to empty compactors, 2009 Kenworth and the 2017 Mac. Two trucks make a trip to Bristol a day. Blake Vance stated that Eric Foster assured us that he didn't need anything until the contract was up. The contract is up June 2020.

Mr. Foster stated that each tractor trailer goes once a day and sometimes twice a day. Bristol does not allow trash to be emptied after 2:30 p.m.

Dennis Aldridge questioned if Eric was just looking ahead with this equipment or if there was a problem that he needed something now. Eric said that the 2001 roll off had been welded together twice and that it was just one accident away of causing a big mess. Blake Vance said that we spent several hundred thousand dollars last year with the assurance that we were good with the equipment when the contract was up.

Recess

Chair Hicks called for a brief recess.

Chair Hicks declared the meeting to be back in session after a brief recess.

Tim Greene explained the funding for the high school project. If we pay \$6,000,000, we will need to borrow between 11 and 12 million dollars and have 1 million dollars toward the Community Center or we can pay \$7,000,000 down and borrow between 10 and 11 million dollars. RFP's were done in March. There were two bids that came in. Wells Fargo and Bank of America do not want to go out more than 15 years. Sterling National Bank and United Community Bank did bid on it. United Community Bank came back with 3.19% interest rate and Sterling National Bank 3.05%. Sterling's interest rate would be \$157,000 less over the life of the loan.

Discussion regarding the community room at the Ag. Building. The project ordinance will reflect 1.2 million dollars but we may have to amend when we get actual numbers. Timeline was discussed.

Mr. Barrier stated that some other items that needed to be mentioned were that EMS salaries may be going to an hourly rate. We are talking with the County Attorney about going back to a retainage.

Tim Greene stated that there needed to be a change in paying meals out for daily travel. We should only be paying for overnight travel. If we don't cut it out, we will have to add that to the employees W2. That will affect EMS, Sheriff and Transportation. We also will need to change our rate on the mileage reimbursement.

Blake Vance questioned how much a 1% COLA would be. Tim Greene stated that it would be approximately \$100,000. Mr. Vance said we get behind with our salary studies because we don't give regular COLA's.

Dennis Aldridge questioned again about the roll off truck. Tim Phillips stated that he thought because of safety reasons that we need to go ahead and include the roll off truck in this budget.

Blake Vance said he would like to compromise and that he would agree to funding the roll off truck if we could implement a 1% COLA.

Consensus of the Board to fund the roll off truck. Majority consensus of the Board to give a 1% COLA.

Adjourn

Motion by Blake Vance and second by Wood Hall Young, Jr. to adjourn this meeting at 10:40 p.m. Motion unanimous.

**Martha Hicks, Chair
Avery County Board of Commissioners**

ATTN: _____
Cindy Turbyfill, Clerk