

**STATE OF NORTH CAROLINA
COUNTY OF AVERY**

The Avery County Board of Commissioners met in a Budget Workshop on Thursday, May 15, 2014 at 2:00 p.m. in the Commissioners Board Room, Avery County Administrative Complex, 175 Linville Street, Newland, NC.

Members Present: Kenny Poteat, Chairman; Glenn Johnson, Vice-Chair; Phyllis Forbes; Reo Griffith; Martha Hicks

Members Absent: None

Call To Order

Chairman Poteat called the meeting to order at 2:00 p.m.
Martha Hicks led prayer.

Fiscal Year Budget 2014/2015

Chairman Poteat stated that we are "going to fatten the cat" and then we are going to "skin the cat". Right now we are \$1,014,319 in the "red". We need to see what we are looking at total before we start the decrease. The Sheriff has asked an additional \$21,054 for auto supplies; Fire Commission is at \$245,292; Board of Education \$158,158 for supplemental pay across the board except for administration; new and additional requests \$253,992. Mr. Greene said that one of those was a must which is the Newland Tag Office at \$18,600. Mr. Wiseman stated that the Town of Newland has a contract with the Department of Motor Vehicles and that if they decided not to have a contract then the contract is null and void; there would be a 30 day shutdown. We have to send the employees to Raleigh for special training. Talking about shutting down the program, special training, replacing computer equipment that does not make a lot of sense. For another \$18,600 there would be no interruption in service and that would give us a year to decide if we want to consider incorporating this service. It is very justifiable for an increase of \$18,600 without any disruption to the service. Chairman Poteat stated that every current commissioner was behind the tag office continuing the operation. The Plumtree lease is \$6,000 which will be added.

Discussion regarding Special Appropriations. Mr. Greene said that in particular Yancey County will be funding at what Mayland Community College, Toe River Health District, and the Library have requested.
Discussion regarding Toe River Health District. Chairman Poteat stated that there are three entities that Avery County shares with Yancey and Mitchell; Mayland, Toe River Health District and Library. He said that we have done our best by gentleman's agreement to do equal sharing of the funding.

Chairman Poteat stated that we would add \$24,610 for Toe River Health District. This does not mean we are going to do that. We will make a decision a little later when we start to "skin the cat". Glenn Johnson said he wanted to clarify that we are really not just \$1,014,000 short we are actually a little over five million short. The one million is if we choose to do revenue neutral.

Discussion regarding Smoky Mountain Center.

We will add \$8,799 for the Morrison Library. We will add \$10,808 for Mayland Community College.

Discussion regarding Carey's Flat Community request.

Glenn Johnson stated that we are somewhat short on maintenance employees. We could be in a world of hurt if something happened to Joe Trivette. They are spread pretty thin. Mr. Wiseman stated that he would place the maintenance worker as number one priority and the assistant emergency management director as priority number two. He said we needed to be prepared so we won't be left hanging with no one to respond for emergency management. Glenn Johnson said we need to cross train. Mr. Greene stated that it would be approximately \$100,000 for these two positions.

Recess

Chairman Poteat called for a brief recess.

Chairman Poteat declared the meeting to be back in session after a brief recess.

Chairman Poteat stated that we need to keep in the back of our minds on how we are going to arrive at this balanced budget. It is the main fiduciary responsibility of a county commissioner; nothing is more important than the budget and the tax dollars of Avery County. We have used some tax increase, decrease across the board and dipped into fund balance. Chairman Poteat stated now that we have "fattened the cat" now we need to start "skinning the cat" and then decide how we will come about balancing the budget.

There was discussion on each tab of the budget book. Discussion about sales tax revenue.

Mr. Greene stated that health insurance increases was going to cause all departments salaries and employee benefits to increase. The affordable care act has caused an increase of \$70,000 to \$80,000 in insurance with taxes and fees.

Chairman Poteat advised the Board that he would like for everyone to think long and hard about spending dollars on the incubator if there is the possibility it is going to go away.

Discussion regarding senior services and contracting out some services. The Senior Services budget was left "status quo".

The next budget meeting will be Thursday, May 20, 2014 at 2:00 p.m.

Chairman Poteat stated one cent on the tax rate generates \$343,564. The current tax rate is 40.5 cents; 35.5 ad valorem, 5 cent fire tax. To obtain revenue neutral would require 52.1 cents of which 45.7 is ad valorem and 6.4 is fire tax for an increase of 11.6. If we adopt revenue neutral, we are simply saying it will generate basically the same amount of money as last year. If your revaluation fell on the average, your tax will basically not increase or may just increase by a few dollars. Capital reserve at this time is \$4,835,000. General fund reserve is approximately 4.8 million dollars. These are things we need to think about to come up with a balanced budget.

Adjourn

Motion by Phyllis Forbes and second by Reo Griffith to adjourn this meeting at 5:04 p.m. Motion unanimously approved.

**Kenny Poteat, Chairman
Avery County Board of Commissioners**

Attest: _____
Cindy Turbyfill, Clerk