

**STATE OF NORTH CAROLINA  
COUNTY OF Avery**

The Avery County Board of Commissioners met in a special meeting on **Friday, May 25, 2012**, at 3:00pm in the Commissioners' Boardroom, Avery County Administrative Complex, 175 Linville Street, Newland, NC, for purposes of a budget workshop.

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

Members Absent: Scott Heath (vacation).

Chairman Poteat began by reading aloud the notice of special meeting, and stated that a public hearing must occur at 4:00pm. This budget meeting is therefore limited to one hour. Chairman Poteat began with a review. At the last budget workshop, there was a \$1,689,000 deficit. The Board agreed by unanimous consent for an ad valorem increase of 2 cents, which would equal \$870,000, or 51.5% of the total need from the taxpayers; an overall 5% reduction from the departments for \$601,655, or 35.6% of the total need, to reduce health benefits which would be a savings of \$180,000 or 10.7% of the total need; and \$37,345 from fund balance for 2.2% of the total. This would leave fund balance at 19.992%.

Chairman Poteat stated that the reason for today's meeting is to see where we can get the 5% from. Tim Greene and Robert Wiseman have worked on the figures. By changing the insurance from a 90/10 policy to 80/20, it now appears the figure will be closer to \$200,000, and Tim thinks he has fund balance back to zero. Robert Wiseman said we may need to cut two positions—the traffic officer position and the part-time position in inspections.

Mr. Wiseman said DSS and Transportation are partly funded by the State; possibly certain fund in DSS for child services may be going away in all or in part. These are called TAFNF (temporary assistance for needy families) and the County may have to pick up some of this. We have cut 5% in all non-profits. County department are plus or minus 5%. With the 5% cuts to non-profits, the County is not telling the agencies where to cut, i.e. the school board. Tim showed the totals on the projector screen and there was discussion on school board funds.

Glenn Johnson asked what the budget would look like if the cut was only 3%. The answer was the total would be approximately \$360,000 as opposed to the \$601,655. Then the difference would have to come from somewhere else.

Chairman Poteat said this was decided after a lot of consideration and we knew there would be problems, but we decided to do this across the board. Phyllis Forbes said this may cause some budget amendments in the coming year. Mr. Poteat said this is called "built-in budget amendments." Phyllis Forbes said the board will be sitting here again next year doing the same thing, so do we want to make changes now; possibly increase the ad valorem more or put the courthouse project back on hold and put those dollars back into the general fund.

Robert Wiseman said that by taking money from capital projects, you are still digging a hole. Martha Hicks agrees with Phyllis and thinks taxes need to go up 3 cents plus the 1 cent for fire tax. Chairman Poteat said that he wasn't happy with 2 cents and he certainly won't like 3 cents. The fund balance is back to zero at this time. He said to cut the departments 3% and take the rest from fund balance (approximately \$240,000), not more from the people. Glenn Johnson said the 2 cents is not really an increase because the tax was reduced two years ago.

It was discussed that the County keeps a 20% fund balance, when actually you don't have to keep but 8%. Mr. Poteat stated that if we took \$240,662 from fund balance, it would allow us to go back to the department and reduce the cut to 3%. This would cut the fund balance only by 1 percent. It would also avoid some budget amendments.

Glenn Johnson said a 5% cut from school board and sheriff's budget may be a little too much. The sheriff's budget was further discussed. 5% from operations would equal about 25,000 and 3% would be about \$15,000. Salaries are going up \$36,000, even with the changes in reduced insurance. The Sheriff's department budget will still go up \$127,000 (7%) after cuts. Workman's comp is still going up; and fuel went up \$29,000.

Phyllis asked about the MAPS group. Tim said if we finish the MAPS increases, it would be about \$600,000.

At 5%, the school operations' budget would be cut \$202,000; at 3% it would be cut \$121,000. Martha Hicks, Phyllis Forbes and Glenn Johnson still think taxes need to go up more. There was discussion on raising the tax 3 cents and/or taking some from fund balance.

Chairman Poteat said he does not agree; he had trouble with 2 cents and he really has trouble with 3 cents. Phyllis Forbes asked if the board could consider the MAPS increase with a 3 cents increase. Chairman Poteat said he still favors taking 1% from fund balance and reducing the departments to a 3% cut. Glenn Johnson offered 2 ½ cents plus 1 cent for fire tax, equaling 3 ½ cents ad valorem, 3% cuts in departments; this would leave about \$30,000 to come out of fund balance. Mr. Wiseman said if you are going to go up 2 ½ cents, you won't receive any more dissention by going to 3 cents from the taxpayers and that would enable the County to better do what they need to do. Martha Hicks said 3 cents plus 1 cent fire tax and 3% cuts to departments. Phyllis Forbes said she agrees with Martha Hicks. Mr. Poteat said he still could not go along with a 3 cent increase. Chairman Poteat said now you are talking about 70% coming from the taxpayers in one year.

Motion to adjourn by Phyllis Forbes, with second by Martha Hicks. Meeting adjourned at 3:57pm.

Sondra Austin  
Clerk Pro Tem \_\_\_\_\_

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Kenny Poteat, Chairman  
Avery County Board of Commissioners