

**Commissioners Meeting Minutes
Budget Session**

June 27, 2005

The Randolph County Board of Commissioners met in special budget session at 6:00 p.m. in the Commissioners Meeting Room, County Office Building, 725 McDowell Road, Asheboro, NC. Commissioners Holmes, Davis, Kemp, Frye, and Lanier were present.

Budget Amendments – School Construction Capital Projects

Will Massie, Deputy Finance Officer, stated that Randolph County has established capital project ordinances to account for school construction in each of the two public school districts. For Northeast High School and Teachey Elementary, the County has authorized advances of County funds to expedite the construction schedule. We anticipate issuing debt in 2006 to finance these projects. However, when we get to June 30, we will have expenditures but no revenues to report, because the debt proceeds are not yet available. In order to avoid a deficit fund balance at year-end, we request amending the ordinances for offsetting transfers to and from the General Fund to cover the amounts advanced. A transfer in to the capital projects will be recorded to match the amount advanced through June 30; the reimbursement will be recorded as a transfer back to the General Fund after the debt is issued.

On motion of Frye, seconded by Davis, the Board unanimously approved the following budget amendments:

2004-05 Budget Ordinance General Fund Budget Amendment #54		
Revenues	Increase	Decrease
<i>Appropriated Fund Balance</i>	\$ 390,132	
Appropriations	Increase	Decrease
<i>Transfer To City Schools Capital Project</i>	\$ 78,602	
<i>Transfer To County Schools Capital Project</i>	\$ 311,530	

County Schools Capital Project Ordinance Budget Amendment # 1		
Revenues	Increase	Decrease
<i>Transfer from General Fund</i>	\$ 311,530	
Appropriations	Increase	Decrease
<i>Transfer To General Fund</i>	\$ 311,530	

City Schools Capital Project Ordinance Budget Amendment #1		
Revenues	Increase	Decrease
<i>Transfer from General Fund</i>	\$ 78,602	
Appropriations	Increase	Decrease

<i>Transfer To General Fund</i>	\$ 78,602	
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Budget Amendment – Medicaid

Will Massie reported that we anticipate the County’s final share of Medicaid costs to exceed the current budget. We anticipate another \$300,000 is needed to make our final payment. Fortunately, interest rates have also risen during the past year and our investment revenues should be ahead of budget by approximately the same amount.

On motion of Davis, seconded by Kemp, the Board unanimously approved the following budget amendment:

2004-05 Budget Ordinance General Fund Budget Amendment # 55		
<i>Revenues</i>	<i>Increase</i>	<i>Decrease</i>
<i>Investment Earnings</i>	\$ 300,000	
<i>Appropriations</i>	<i>Increase</i>	<i>Decrease</i>
<i>Social Services</i>	\$ 300,000	

Budget Amendment – Library

Will Massie reported that the State Library reallocated \$467,872 to the public libraries in North Carolina who qualify to receive State Aid. These funds are available because the Rockingham County Public Library is no longer eligible to receive money from the Aid to Public Libraries Fund. Randolph County’s total allocation for FY 2004-05 was \$193,685. We budgeted \$190,386, leaving an excess of \$3,299.

On motion of Davis, seconded by Frye, the Board unanimously approved the following budget amendment:

2004-05 Budget Ordinance General Fund Budget Amendment #56	
<i>Revenues</i>	<i>Increase</i>
<i>Restricted Intergovernmental</i>	\$3,299
<i>Appropriations</i>	<i>Increase</i>
<i>Public Library</i>	\$3,299

Budget Amendment – Health Department

Will Massie stated that the Health Department has received an additional \$9,358 for the WIC Program; these funds will be used for the Breastfeeding Peer Counselor Program.

On motion of Frye, seconded by Davis, the Board unanimously approved the following budget amendment:

2004-05 Budget Ordinance General Fund Budget Amendment #57	
<i>Revenues</i>	<i>Increase</i>
<i>Restricted Intergovernmental</i>	\$9,358
<i>Appropriations</i>	<i>Increase</i>

<i>Public Health</i>	<i>\$9,358</i>
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Budget Amendment – Tax

Will Massie stated that the Tax Department has incurred a shortage of funds in its current budget due to unexpected expenses in supplies and postage. The deficiency totals \$2,500. However, property tax revenue budgeted for this fiscal year have exceeded expectations, and there are funds in this account to cover this deficiency

On motion of Kemp, seconded by Davis, the Board unanimously approved the following budget amendment:

<i>2004-05 Budget Ordinance General Fund Budget Amendment #58</i>	
<i>Revenues</i>	<i>Increase</i>
<i>Ad Valorem Property Taxes</i>	<i>\$2,500</i>
<i>Appropriations</i>	<i>Increase</i>
<i>Tax</i>	<i>\$2,500</i>

Adjustment of Collection Rate for Ash-Rand Rescue Squad

Will Massie told the Board that Randolph County supports Ash-Rand Rescue Squad through an annual contribution. Ash-Rand has requested a \$20,000 appropriation in 2005-06 to help offset additional operating costs. However, the budget includes the same contribution as last year--\$14,225. For years the Randolph County Tax Department has prepared the ambulance billing for services performed by Ash-Rand and has charged them a 15% collection fee. As an alternative to increasing their contribution, Neil Allen, Emergency Services Director, recommends that the County reduce its collection percentage from 15% to 10%. That should generate the additional revenue for Ash-Rand and allow them to satisfy their budget needs.

On motion of Kemp, seconded by Frye, the Board unanimously approved reducing the County’s collection fee for Ash-Rand Rescue Squad from 15% to 10%, effective July 1, 2005.

Recognition of Buddy Fields, Retiring Fire Chief

Chairman Holmes recognized Buddy Fields, retiring fire chief for Climax Fire Department. Mr. Fields introduced Gary McGee, new chief for the department.

Fire District Tax Rates

Recil Williamson, Chief of Westside Fire Department, spoke in support of the one-half cent increase his board is requesting for Westside. He said they need additional revenue to pay for construction of a new fire station they are planning to build in the Lassiter Mill Road area. This station, which will be the third one in their district, will encompass an area that has heretofore been too far from a station to be in Westside’s tax district. This area has been a “response district” only, meaning that Westside responds to calls in that area even though they do not receive any tax revenues from citizens living in that area. The new station will result in homeowners insurance premiums in that area being reduced.

In response to questions from the Board, Mr. Williamson provided the following information:

- The additional one-half cent increase last year was for a heavy-duty rescue truck, the only one in the county.
- Westside's current budget is \$484,515.
- The new station will not have to be equipped with new vehicles. The Department has a reserve engine and tanker that will be placed there.
- Westside's board, in the past, has been reluctant to provide an annual audit to the County Commissioners because of the cost. There is now a new board, and Mr. Williamson will approach them about providing an audit.

County Manager Frank Willis noted that state statutes do not allow boards of county commissioners to require audits of volunteer fire departments; they can only request them.

On motion of Lanier, seconded by Frye, the Board voted unanimously to leave all fire district tax rates the same: Bennett, 7¢; Climax, 9.3¢; Coleridge, 7.3¢; Eastside, 7¢; Fairgrove, 6.5¢; Farmer, 7.5¢; Franklinville, 6.5¢; Guil-Rand, 10¢; Julian, 10¢; Level Cross, 10¢; Northeast, 6.8¢; Randleman, 10¢; Seagrove, 9.7¢; Sophia, 10¢; Southwest, 10¢; Staley, 10¢; Tabernacle, 8.7¢; Ulah, 6.1¢; Westside, 9¢.

School District Tax Rates

On motion of Frye, seconded by Kemp, the Board voted unanimously to leave the school district tax rates the same: Asheboro City, 13.85¢; Archdale-Trinity, 8.5¢.

Citizen Comments

Chairman Holmes stated that a citizen who had not been aware of the public hearing on the budget last week would be allowed to speak tonight.

Faye Cox, 1211 Grantville Lane, Asheboro, spoke in opposition to the proposed property tax increase. She said too many people have lost their jobs and are barely holding on. She said the cost for everything has gone up, and the elderly, farmers and unemployed cannot afford any more taxes. She said foreigners are causing the additional school needs, and most of them don't pay much in taxes because they rent.

Commissioner Frye explained to the audience that Randolph County's portion of Medicaid expense in the 2005-06 budget is \$1.4 million more than the current year's expense. We have no control over the amount we pay for Medicaid; we don't make the rules. North Carolina is the only state that requires counties to pay a portion of the state's share of the Medicaid expense. The North Carolina Association of County Commissioners' legislative goals top priority this year was for Medicaid relief for counties. It doesn't appear that the General Assembly will do much, if anything, on Medicaid relief for counties this year. Mr. Frye also noted that only about half of Randolph County's budget is funded by the property tax. The other half comes from sales tax, grants, fees, and other sources.

Budget Discussion

The Board briefly discussed the proposed budget.

Frye made a motion, seconded by Davis, to adopt the FY 2005-2006 Budget Ordinance as proposed, with the following changes: to appropriate \$200,000 from fund balance for the Randolph County Schools and Asheboro City Schools, to be split under the ADM formula

(County Schools, \$160,140; City Schools, \$39,860); and to appropriate \$208,980 from fund balance in order to cut the proposed property tax increase from 2.75¢ to 2.5¢, with the stipulation that any Medicaid relief received from the state go back into fund balance.

Commissioner Kemp requested that the motion be amended to stipulate that \$20,000 of the amount going to the County Schools be used for the incentives program for custodial employees, which was one of the funding requests made by the County Schools earlier. Commissioners Frye and Davis agreed to this amendment to their motion and second. The motion passed 4 to 1, with Lanier opposing. (ATTACHED: FY 2005-2006 Budget Ordinance, as adopted.)

Commissioner Lanier stated that he opposed the motion because he has a problem raising taxes to pay Medicaid when Medicaid is dictated by the state and federal governments. He said someone has to take a stand on this issue.

On motion of Frye, seconded by Lanier, the Board voted unanimously to adjourn at 7:40 p.m.

J. Harold Holmes, Chairman

Darrell L. Frye

Phil Kemp

Robert B. Davis

Arnold Lanier

Alice D. Dawson, Clerk to the Board