

**MACON COUNTY BOARD OF COMMISSIONERS
CONTINUED SESSION
JANUARY 26, 2016
MINUTES**

Chairman Corbin reconvened the meeting at 1:09 p.m. in the commission boardroom as recessed from the January 12, 2016 regular meeting. All board members (with the exception of Commissioner Higdon, who later joined the meeting), the County Manager, Deputy Clerk, Finance Director, County Attorney, members of the news media, several county department heads and representatives of Macon County Schools were present. The primary purpose of the continued session was to hold a mid-year review and budget work session.

2015 YEAR IN REVIEW: The County Manager gave a slideshow presentation reviewing the county's accomplishments in 2015. The review covered a wide range of topics, including: the county's "A+" credit rating, establishing a "revenue neutral" tax rate, anticipated growth of three percent in sales tax revenue, the county's declining debt load, growth of seven percent in the fund balance, increased service and efficiency, a new telephone system and additional data storage, moving the Animal Control Department under Public Health, cost savings to the county that came from revisions to the county's employee health insurance, which is up \$51,307 so far in Fiscal Year 2015-16 after a deficit of \$464,015 in FY 2014-15. Other items included the opening of the Parker Meadows Recreational Complex and the effect it had on local sales receipts for September and October, plus the county's investment in the future by expanding the landfill, as adding 22 acres to the existing site will allow the county enough additional capacity to extend the life of the landfill another 40 years. In closing, the County Manager noted the completion of the renovations to Union Academy and Highlands Schools, which caps a \$50-million investment in county schools since 2008, along with a new focus on providing STEM opportunities (Science, Technology, Engineering and Math.) "The state of the county is strong," he told the board.

FUNDING FOR LIBRARY COMPUTERS: At this point, the board agreed to “revisit” some issues stemming from the initial adoption of the budget. Commissioner Beale, as the liaison to the Macon County Public Library, explained that 11 computers at the library need to be replaced, and he made a motion to appropriate \$17,600 from contingency in order to do so. Commissioner Shields seconded the motion, and during discussion, the Finance Director pointed out that \$136,350 is currently remaining in the contingency line item. Following further discussion, the board voted unanimously to approve the motion as presented.

FUNDING FOR MACON COUNTY HERITAGE CENTER: Chairman Corbin noted this was another item that the board agreed to revisit at the mid-year point. Commissioner Beale, who is also the liaison to Macon County Heritage Center at the former Cowee School, recalled that the board appropriated \$40,000 to the center for the first six months of the fiscal year. As of December, he said that \$12,800 of that amount had not been spent, and asked that the \$12,800 be reappropriated, along with an additional \$18,000. The Finance Director explained that the \$12,800 can be spent up until June 30, 2016 and did not need to be reappropriated. Commissioner Beale then made a motion to appropriate the additional \$18,000 from contingency, and Commissioner Shields seconded the motion. Following additional discussion, the board voted unanimously to approve the motion as presented.

MID-YEAR FINANCIAL REVIEW: The Finance Director gave a brief PowerPoint presentation regarding the county’s financial status at the mid-year point. She explained that sales tax revenue is up 7.65 percent over the prior year. Overall, she said revenues are up and so are expenditures. She also briefly reviewed the county’s debt load and how it will be paid off in the coming years, and echoed the County Manager’s comments on the turnaround in the health insurance reserve, saying that overall, “the state of the county is strong.”

BUDGET CALENDAR: The County Manager went over the budget calendar, which is planned to culminate with the adoption of the Fiscal Year 2016-17 budget on June 21st. No action was necessary. Macon County Schools Superintendent Dr. Chris Baldwin invited Commissioners Beale and Shields, the board’s education liaisons, to attend the Board of Education’s budget work sessions.

EXPECTED REVENUE GROWTH: In his remarks regarding expected growth in revenue for the upcoming fiscal year, Tax Administrator Richard Lightner told the board, “It’s still not rosy out there,” adding that property values are increasing at a slow to moderate rate. (Note: Commissioner Higdon joined the meeting at this point.) While land values are still low, Mr. Lightner said the

positive aspect is that the county is still growing and he expects Macon to pick up \$50-million to \$100-million in new property value this year. He predicted that growth in the ad valorem tax rate should be normal over the next four years, but that the county tax department would be facing two major retirements within that time frame.

PROJECTED EXPENDITURES: Using a slideshow presentation, the County Manager reviewed his goals and expectations for Fiscal Year 2016-17. After brief comments regarding maintaining service levels and the tax rate, the majority of his remaining comments were focused on the proposed implementation of the next phase of the pay plan. He told the board members that he would “strongly suggest” they look at employee compensation and consider implementation of options from the study performed by Springsted. While portions of that study were implemented, he said there are “lingering” compensation issues, and that some county employees remain under-compensated and some of the longest-serving ones have been the most affected. After sharing more of his analysis with the board, the County Manager said his game plan was to form a committee to further analyze the current situation and to bring the board recommendations for implementation as well as on-going administration of the pay plan. The parameters for the group will be “objectivity, affordability and sustainability,” he said. He then asked the board to consider thinking about the county’s fund balance level, which stands at 42 percent of annual expenditures, while the state average is 27 percent. In terms of capital projects, he said that renovations are needed to the Robert Carpenter Community Building and its adjacent ball fields, as well as an emergency simulcast radio system at a cost of \$600,000 to \$800,000 over two years. The new Parker Meadows Recreational Complex also has approximately \$184,000 in additional needs, many of them safety-related, and this prompted an extended discussion among the board members regarding how to best prioritize those needs. Following discussion regarding safety equipment and the need for an irrigation system, Commissioner Tate said he wanted to hear a recommendation from the county’s recreation commission before making a move. As to where the money would come from, it was suggested that the county could use some of the \$200,000 earmarked in the current county budget for a payment on the QZAB school construction loan that would not be due this year. After continued discussion, Commissioner Beale made a motion to take \$149,500 out of the \$200,000 to fund the safety structures and an extension of the walking trail at the complex. Commissioner Tate disagreed, saying it should come from fund balance. This led to further discussion, and then Commissioner Shields seconded the motion, with Commissioner Tate saying he could not support it in its current form. Commissioner Higdon said the needed safety structures were an “oversight” and agreed to spend \$120,000 to address those, but not the other items. Following more discussion, the board voted 3-2 in favor of the motion, with

Commissioners Beale, Corbin and Shields in favor and Commissioners Tate and Higdon opposing.

COMMISSION GOALS AND EXPECTATIONS: In addition to supporting further implementation of the pay plan, Chairman Corbin asked each board member to comment on their personal goals for the coming year. He said that while he backs the pay plan, the new radio system, no tax increase and renovations to the Carpenter Building, he would like to see an increase in capital outlay money to the school system. Commissioner Beale said he is on the lookout for changes to the Department of Social Services (DSS) and Senior Services budgets, that he would like to see the state restore lottery funds to 40 percent, and he noted that law enforcement calls are “at an all-time high” and EMS calls are up as well. Commissioner Shields said he would like to address the mental health situation that puts the sheriff and his deputies in the roles of psychiatrists and doctors. He praised Tommy Jenkins for his work in economic development, and asked the board to keep an eye on the expansion of internet services, saying no one will want to move here without good cell phone and internet service. In closing, he told the other members not to forget Southwestern Community College and how it serves the county. Commissioner Higdon said that he concurs with Chairman Corbin on the need for capital outlay funds for schools, but added he would like to see that applied to all other county buildings as well. He said he wanted to see “security and safety in the forefront.” Commissioner Tate said his top priority is county employees and the continuation of the pay plan study. He also wants to address communications, whether it is “poor, missed or the lack of” as it involves emergency services. He also supports more capital outlay for schools, but with “a big fund balance,” he suggested the county apply some of those funds toward its higher-interest loan debt. Commissioner Beale concluded the comments by stating it is time to start the discussion about the location of a new high school.

CLOSED SESSION: Commissioner Tate asked for a closed session to discuss a personnel matter, and the County Attorney advised that there was also a matter to be discussed under attorney-client privilege. No action was anticipated on either matter. Upon a motion by Commissioner Tate, seconded by Commissioner Higdon, the board voted unanimously to go into closed session at 3:38 p.m. At 3:59 p.m., upon a motion by Commissioner Tate, seconded by Commissioner Higdon, the board voted to come out of closed session and return to open session. No action was taken.

ADJOURN: With no other business, Chairman Corbin adjourned the meeting at 3:59 p.m.

Derek Roland
Ex Officio Clerk to the Board

Kevin Corbin
Board Chairman