

**MACON COUNTY BOARD OF COMMISSIONERS
CONTINUED SESSION
June 3, 2021
MINUTES**

Chairman Tate reconvened the meeting at 4:00 p.m. as recessed from the May 25, 2021 continued session, and stated that the purpose of the meeting was to discuss certain Fiscal Year (FY) 2021-22 fire department budgets, the portion of the county's FY 2021-22 budget as it pertains to the school system, and any other items regarding the proposed FY 2021-22 budget. All Board Members, County Manager Derek Roland, Finance Director Lori Carpenter, County Attorney Eric Ridenour, Tammy Keezer (sitting in for Deputy Clerk Mike Decker) and members of the news media were present, as were a number of county employees and citizens.

FY 2021-22 Fire Department Budget Discussions

(A) Burningtown Iotla Volunteer Fire and Rescue – Michael Shuler, Chief of Burningtown Iotla Volunteer Fire and Rescue, presented his request for a \$12,000 increase due to the increased cost of supplies and equipment. Chairman Tate stated this was a minimal request and inquired as to whether or not it could be found elsewhere in their budget. Chief Shuler stated that although this seemed a minimal request for funds, the department had reviewed all items in their budget and had no other option than to request the increase. He indicated the department held three fundraisers last year and had more planned for this year. However, the funds raised were not keeping up with the increased costs of maintenance to trucks and the purchase of supplies such as personal protective equipment, Epi Pens, etc. Commissioner Young commented about the stated cost of \$600 oil changes and asked whether these could be handled internally or by a county-wide contract. Chief Shuler stated oil changes and maintenance of the truck have to be done by an emergency service mechanic and that the chiefs had discussed a county-wide contract and plan as an option, but nothing was in place at this time. Commissioner Higdon asked about the emergency reserve funds in the amount of \$60,000. Chief Shuler stated those funds are to cover emergency replacement of a truck or piece of equipment and that he has always been told not to touch those unless there is an emergency need.

(B) Otto Volunteer Fire and Rescue - Terry Rholetter, Chief of Otto Volunteer Fire and Rescue, presented his budget request for a tax increase to cover the cost of constructing a new and updated main fire station which has been planned for many years. The request would increase the district's millage rate from .0684 to .1224 with a .0554 difference. He shared this is still not the highest millage rate in the county and the district has seen a growing need for service, along with an outdated station that will not fit trucks and equipment and has a leaking roof. Chief Rholetter stated the department does not own any buildings or the property where the current main station is located, but the new facility would be owned by the department, and would have the ability to house all current equipment including 11 trucks, overnight accommodations for eight fire fighters, and room for expansion. Commissioner Beale inquired about the square footage of the facility, the increased cost from the request made by the department last year from \$3.7 million to \$5.2 million and asked if there was room for expansion later, if needed. Chief Rholetter provided a handout of the facility plan (**Attachment 1**) and shared that the costs of materials had been the main reason for the increase in cost from last year to this year and that there was room for expansion, but "we don't want to do that, we want it done right." Chairman Tate commented about having reviewed the request last year and the board not approving the requested increase at that time. He inquired about the department considering a more minimal tax rate. Chief Rholetter said they could drop the tax rate down in 20-30 years when the building was paid off. Commissioner Higdon commented that he understood the need but found it hard to swallow the cost of approximately \$364 per square foot. He stated he did not see any way that the county can afford twelve full-time fire departments and asked about the need for sleeping quarters. Chief Rholetter stated the sleeping quarters can be used for college students or students attending the SCC Training Center as free housing in exchange for running calls. Commissioner Higdon stated, "It is never a good time for a tax increase, particularly now." Commissioner Young stated he lives in Otto and realizes what the department does for the residents and the need for the facility. He further commented on his concerns about the \$5 million cost and feeling that the facility could be scaled back as the population and funding is not there to support it. Chief Rholetter stated this cost is on the low end and they had not asked for bells and whistles in the proposed facility. Commissioner Young indicated he would be happy to come to a meeting to discuss the proposal as he was not aware of the public comment sessions that had been held. Commissioner Shields stated that he appreciated the effort and the leadership and asked if the community was supportive from the public comment sessions and feedback received by the department. Chief Rholetter stated they were.

Minutes

06.03.21

Page **2** of **7**

Chairman Tate asked Warren Cabe, Macon County Emergency Management Director, if there were any additions to the two requests made by the departments. Mr. Cabe shared that both the combined maintenance contract and the Otto building were both in the study that was conducted in 2017 and that Otto was one of the first two volunteer fire departments in the county and has one of the oldest buildings. He shared that during the time the Highlands Road was closed due to maintenance an EMS truck had been stationed at the Otto location which had helped tremendously with response for EMS. He also stated that the current facility would be ideal for an additional EMS location when the fire department moves to a new facility.

North Carolina Forest Service FY 2021-22 Budget Request – Chairman Tate stated that Mr. Roland has a set of funds to work with and he cannot go outside that figure as directed by the board and that Mr. Roland had recommended Forest Service funds remain flat. Ruthie Edwards, District Forester, provided a handout ([Attachment 2](#)) and stated that their budget remained flat last year as well as it has been since 2014. She shared that she is having to pull funds from operating to maintain salaries and personnel because she does not have any flexibility in her budget. If kept where it is, Ms. Edwards stated, “I’ll have \$16,000 to run my operation with, which is \$1300 per month.” She indicated that Macon County does not get billed for the use of helicopters and other equipment used to fight fires in the county because of the agreement for Macon County to allocate funds to the forest service budget. Ms. Edwards requested an increase in the amount of \$8,490, sharing that her department is very underfunded in Macon County. She also said that if no increase is recommended, the District Manager had requested to have a conversation with the board but could not be here tonight. Mr. Roland reviewed the allocated and unspent funds to the Forest Service since 2015 with each fiscal year ending in unspent funds. He stated that county monies are intended to be spent by the Forest Service and we do not dictate how they are spent. Ms. Edwards stated she is not allowed to use the monies for operating and has to spend them on salary and those unspent have been a result of staff vacancies, retirements, etc. Mr. Roland said the county can appropriate fund balance in the amount requested because their unspent funds go back to fund balance each year. Commissioner Beale mentioned two unfunded mandates that the county has to pay – retirement and insurance - which are not included in the numbers Mr. Roland mentioned.

FY 2021-22 School System Budget Discussion – Dr. Chris Baldwin, Superintendent of Macon County Schools, presented his concerns about the FY 2021-22 budget, including uncertainties around the 2021-22 budget at the state level. He shared they do know they have a significant amount of federal dollars that have to be spent by December 2024, but they don’t know exactly how it can

be spent. He expressed concern about significant academic losses due to COVID, as well as social and emotional needs and losses as well. Dr. Baldwin stated his budget includes a request for mental health professionals to address those needs and for support for the arts which are also important to the academic and emotional needs. He shared that the arts program is also supported by NAMI (National Alliance for Mental Illness) as a way to improve mental and emotional health. Dr. Baldwin stated that the K-3 class size legislation has required a request for the increase as that legislation has impacted our budget significantly. Chairman Tate commented about how difficult this is on us as commissioners with a limited pot of money without a significant tax increase. He stated that every budget year the school is walking blind because we don't know what the state is going to do. He asked if there is any way you can take other dollars and pay for your maintenance and other expenses and use our monies for the requested staff positions. Dr. Baldwin said that expending the other monies has to be connected to COVID. Some of the needs of East Franklin could be connected, although a recent application for the addition of classrooms at East Franklin was denied; and, some of the requested expenses such as the arts positions can be funded with those funds but those are not ongoing funds. Commissioner Beale made several comments about the ability to hire for vacant and needed positions. Dr. Baldwin stated that he requested six more nurses which would give us one per school and the arts positions can also be supported at each school. He indicated they are going to have a recruitment issue as all counties are going to be competing for the same people and very few qualified new graduates are available. Commissioner Higdon asked about the request of a flat budget presented previously. Dr. Baldwin said in February they presented a budget similar to this one except that we now have a more clear understanding of the K-3 classroom size impact. Commissioner Higdon asked how much COVID funding was being received. Dr. Baldwin indicated that over the next two years approximately \$15 million dollars would be received. Commissioner Higdon referred to a Facebook post that had been brought to his attention regarding the arts stating that the County Manager had asked us not to field any calls for requests. He stated that the County Manager did not and does not dictate to us what calls we take or don't. Commissioner Beale stated he had received calls and messages about the same Facebook post and advised Dr. Baldwin that having his staff post things like this was not helpful. Dr. Baldwin indicated he did not believe his staff had posted the item in question. Maggie Jennings, a member of the public present in the audience stated she had made the post and immediately realized her mistake and had corrected the post. She apologized for her mistake. Commissioner Higdon asked Dr. Baldwin to explain his request stating last year it was STEM and why do we not have arts and music in schools. Dr. Baldwin explained that some of the arts positions requested are for expansion of programs and some are due to a loss of positions with budget cuts during the recession that has never been returned. Commissioner Higdon asked if there was a plan for what the school system needs for the next five years and

Minutes

06.03.21

Page 4 of 7

stated the only debt that Macon County has right now is school debt. Dr. Baldwin stated there is a long-range plan and agreed to get a copy to Commissioner Higdon. Commissioner Young indicated that he wants to focus on what we are obligated to provide, and we don't tell the school what to spend the money on. He stated our obligation is brick and mortar and that he wants to see something nice with the capital expenses we are supposed to provide. Commissioner Shields commented that it all came back to the classroom size and if that would have been left alone we would have been ok. He stated he believes finding qualified manpower is going to be the greatest challenge we have.

Additional FY 2021-22 Budget Discussions as needed – Chairman Tate asked the board members for their thoughts on other budget items that needed to be discussed. Commissioner Beale said he wanted to look at the increase in the library budget - \$30,000 above the current recommended budget; Nantahala library issue needs to be resolved – need to appropriate funds; EDC – Nikwasi Initiative \$25,000 addition; \$10,000 for new well at Cowee School or we will have no water at that location; and the salary plan. Commissioner Beale asked Mr. Roland if there was enough money in the budget to cover this. Mr. Roland said 6 percent has been reserved and earmarked, however, Gallagher has indicated that we are 7-9 percent below market value on salaries on average. He shared that the \$1.23 million reserved will be used to address the critical areas in the pay scale. Commissioner Beale commented that we have set through three to four of these studies and have never been able to fund them, so let's make sure it is funded. Commissioner Shields said he had no additional items for consideration. Commissioner Young asked Sheriff Holland about the status of the courthouse security project. Sheriff Holland shared that the metal detectors have not been functional because we can't get employees. Four of the 13 open positions are currently designated as courthouse security positions. Commissioner Young asked if there was any way we can take some of those vacant positions and redistribute salaries with bonuses or increases to the staff who are currently working and covering the duties. Sheriff Holland said we can but you will eliminate services for the county. He stated we have never had so much difficulty in filling positions and that if he eliminates positions, he can guarantee he will never get those positions back. Sheriff Holland reminded the board that school resource officers are only there because we eliminated positions within the department, and he believes that once the pay study is completed we will have an easier time recruiting. Commissioner Young asked if the services that would have to be eliminated are currently being provided with the shortage and vacancies. Sheriff Holland stated that staff are working overtime to fill in vacancies and make sure the services are provided where they can. He shared that we don't have that coverage ability in the courthouse security positions due to the number of courtrooms and courts being held – and thus he has part-time employees coming in just to cover courts adequately.

Commissioner Higdon stated he was ok with the budget as it has been presented, and appreciates the work that has gone into it.

Chairman Tate recommended that the board talk about each fire department separately and then talk about the other items. **NC Forest Service** - Mr. Roland reiterated that the board could appropriate the approximately \$8,500 requested by the Forest Service from fund balance. The board agreed by consensus with the proposal to take the requested amount from fund balance. **Library** – Chairman Tate stated the request would be a recurring expense although he understand we have not given them an increase in the time he has been on the board. However, we spend more per person on library expenses than any other county in the Fontana Regional Library System. He said he would like to give them an increase but doesn't know where we would find the funds. Commissioner Beale stated that we have three libraries while the surrounding counties do not and that when we get to discussing bigger items like the high school, if there is going to be a tax increase that we incorporate these smaller items into that. - No action taken pending discussion regarding the high school. **Nikwasi Initiative** – no action taken pending discussion regarding the high school. **Cowee School** – no action taken. **School System** – no action taken pending discussion regarding the high school. **Burningtown Volunteer Fire and Rescue** – after discussion the board voted 3-2 to deny the request with Commissioners Higdon, Young and Tate voting in favor of denying the request and Commissioners Beale and Shields voting in favor of approving the request. **Otto Volunteer Fire and Rescue** – After discussion, Commissioner Beale made a motion, seconded by Chairman Tate, to split the difference in the request and approve a 0.10 cent increase in the tax rate for the district. The motion passed 4-1 with Commissioner Higdon opposing. **New High School** – Chairman Tate suggested two options: a referendum supporting a 0.25-cent tax increase on the election ballot in 2022, or a 6.63 percent tax rate in order to support the full request. After some discussion among members, Commissioner Shields made a motion, seconded by Commissioner Young, to put out a Request For Qualifications (RFQ) for an architectural firm for plan design only for the new high school and to fund this piece only through the general fund. The motion passed 4-1 with Commissioner Beale opposed.

After additional discussion regarding the pay study and cost of living increases for employees, a motion was made by Commissioner Beale, seconded by Commissioner Shields, to approve a 2.53-cent increase (which would bring the tax rate to an even \$0.40 cents per \$100 of assessed value) equaling approximately \$2 million to be spent as follows: approximately \$400,000 toward a 2 percent Cost Of Living Adjustment (COLA) for employees, approximately \$600,000 toward the pay study, a \$30,000 increase to library operations, \$25,000 in one-time funds allocated to the Nikwasi Initiative, and \$10,000 in one-time funds allocated for well construction at Cowee School. The remaining

funds, approximately \$1 million, would be placed in the contingency fund to be used as needed in completion of the pay study. Following completion of the pay study, the remaining funds in contingency will be set aside to be used as needed for planning and preparation expenses related to the construction of a new high school. The motion passed 3-2, with Commissioners Beale, Shields and Tate voting in favor and Commissioners Young and Higdon opposed.

ADJOURN: With no other business, at 7:42 p.m., upon a motion from Commissioner Young, seconded by Commissioner Higdon, the board voted unanimously to adjourn.

Derek Roland
Ex Officio Clerk to the Board

Jim Tate
Board Chair