

GASTON COUNTY

COMMISSIONER'S COURT

NORTH CAROLINA

JUNE 9, 2011

The Gaston County Board of Commissioners (BOC) met in a Special Meeting at 7:00 pm on June 9, 2011, immediately following the Work Session, in the Commissioners Room, Gaston County Courthouse.

Chairman Donnie Loftis presided with Commissioners Tracy L. Philbeck, Vice-Chairman; Chad Brown, Joe D. Carpenter, Allen R. Fraley, Tom Keigher and Mickey Price in attendance.

Others present included Jan Winters, County Manager; Charles L. Moore, County Attorney; and Martha M. Jordan, Deputy Clerk to the Board.

Upon request of Chairman Loftis, Commissioner Carpenter led those assembled in the Invocation and Commissioner Keigher led in the Pledge of Allegiance.

Public Hearing - FY2011-2012 Gaston County Proposed Budget

Chairman Loftis announced the Public Hearing as advertised, explained procedures to be used and called for the motion to enter into Public Hearing.

On motion introduced by Commissioner Philbeck and seconded by Commissioner Price, the BOC unanimously entered into Public Hearing.

Chairman Loftis explained the extensive process that commissioners went through in order to arrive at the proposed budget. The BOC made a commitment not to cut education, to provide quick response to obtain jobs via economic development, to maintain a 16% Fund Balance, and to avoid a tax increase. As the process proceeded, commissioners developed budget options; the County Manager responded with options including library closures, cutting back on other County amenities, reducing County Museum hours, and total funding for the Schiele Museum. Commissioners met with appropriate staff to discuss the impact of those targeted cuts, held policy reviews, suggested opening up health insurance bids for the future. General consensus of the BOC was to keep libraries open at reduced hours as well as the County Museum and to add back security for Tax, Health and DSS; the Gang Coordinator was added back at a reduced funding level. Discussion regarding employee raises or cost-of-living adjustments was curtailed for the third year when the State pushed down \$3M in costs to the County. Concluding the overview, the Chairman assured that the BOC had been much more involved in working through the FY2012 budget and asked that anyone wanting to speak to the budget to come to the podium.

The following spoke in support of funding for the Gaston County Museum and its Program Coordinator: Mrs. Lucy Penegar, Gastonia; Mrs. Penny Thrower, Gastonia; Mrs. Elizabeth Tooley, Gastonia; Ms. Charlotte Jenkins, Dallas.

Mr. Brent Messer, Gastonia, spoke in support of a modest tax increase in order to maintain critical needs in education and to restore some of the cuts.

Mrs. Wilma Craig, Gastonia, spoke in support of funding for the Schools, County Museum and Public

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Libraries.

By way of letter dated 6/1/2011, Ms. Lara C. Owensby, Raleigh, submitted her support for funding the County Museum and the Library System.

Chairman Loftis called for a motion to close the public hearing.

On motion introduced by Commissioner Philbeck and seconded by Commissioner Price, the BOC unanimously closed the public hearing.

Chairman Loftis called for comments from commissioners.

Commissioner Carpenter cited difficult economic times; the BOC agreement to stay within 16% of Fund Balance and not increase taxes; cannot expect the schools to continue to operate on a level budget with increasing costs; willing to look at roof leaks and elevator issues at Gaston College.

Responding to Commissioner Keigher, the County Manager advised that approximately \$13M would be taken from Fund Balance leaving 16% as directed; 14% was taken from Fund Balance last year.

Commissioner Keigher stated that the \$27M+/- had mostly been used for reoccurring costs; bond interest rates would increase with less than 16% in Fund Balance; legislative approval would be required to raise the sales tax. He recalled allocating the College \$700k for capital in 2009, \$426k last year with no increase this year; cited the dramatic increase in facility space; recalled a requirement of documenting emergencies (\$60k-70k for Myers Center roof; \$160k-\$170k for Comer Building roof; \$26,280k for Myers Center Elevator Repairs) to be brought forth for BOC consideration. He identified these projects as critical needs; asked the BOC to add those to the 2012 budget; also requested that \$18k be added for the County Museum in order to retain accreditation and the Program Director.

Chairman Loftis so noted the requests.

Commissioner Philbeck cited public safety and education as priorities; look at what should and shouldn't be funded in the way of quality of life issues; supported funding the County Museum before the Schiele Museum; cited significant budget increases in the general government side and decreases in public safety; supported maintaining essential government functions; requested consideration of "Keeping Families Intact" Program initiated for a three year period. As to the College issues, he stated that it would cost less to fix now than to wait although he preferred to find ways to fund without using Fund Balance.

Commissioner Price stated that there were things he liked in the budget and others that may have been done better; encouraged keeping an eye on Fund Balance levels.

Commissioner Brown suggested that some of the high priority areas had decreases and increases in other areas; concerned that continued use of the Fund Balance may lead to less money for essential needs; challenged the department heads to pinch every penny; challenged the BOC to look

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into employee raises for the FY2013 budget.

Commissioner Fraley recalled that a 1/4 cent tax referendum was highly defeated several years ago which would have provided enough money to take care of all these needs had it passed; said that most citizens feel that a tax increase is unnecessary; stated that the budget had been an agonizing issue for all; that BOC was forced to deal with the reality of the situation although they did not want to cut funding; supported adopting the budget as proposed.

Commissioner Fraley introduced the motion to adopt the FY2011-12 Gaston County Budget as proposed and Commissioner Philbeck provided the second for purposes of discussion.

Commissioner Loftis recalled e-mail from the County Manager that specified funding for the County Museum and keeping Libraries open; that the BOC had added back funding for security for the Administration, Health and DSS buildings.

The County Manager advised that the funding for security (\$141k) would come from the sale of the old County Administration Building (\$200k) due to be sold in January per current contract. He advised that the Senate's Budget impact reduced lottery proceeds by \$713k which was used to pay debt service for the School bond which will be paid from a rebate from Build American Bonds; the \$360k remaining would go to Fund Balance Reserve to pay debt service for School bonds; added in GEMS/Rescue Squads field data computers (a 5-year lease purchase) to be paid from recurring/restricted E-911 Funds and authorized by the State; Keeping Families In Tact was a three year commitment at \$90k; \$50k in second year (employee was not hired); have put in \$50k this year; they need \$75k; up to the BOC; added \$40k for Gang Coordinator; eliminated \$21,800 for Alexis VFD increase; added \$18k for County Museum to expand the hours; did not include \$42k for Museum Education Coordinator; added \$5,573 for County Police Vehicle payments; \$2,103 for the Literacy Council; eliminated \$1,119 for the Women's Commission; Capital Accounts for Schools and College were unchanged; College has capital funds available in the recommended budget to cover roof repairs of \$240k; roof repairs for schools are over \$3M; would have to consider items not adequately budgeted.

Keeping Families Intact (KFI)

Commissioner Philbeck commented on the funding for KFI as reviewed by the County Manager; indicated that this was year two of a three year process; program intent was to reduce dependency on government.

Commissioner Carpenter explained that the program was geographically targeted to family disintegration; outcome would be to keep people productive, keep them in communities, out of jail, off public assistance; stated he would be willing to add an additional \$25k.

Responding to Commissioner Keigher, Ms. Myra McGill, KFI Program Manager, identified the Program's work areas; tax savings; plans to apply for grants.

Chairman Loftis asked where the added \$50k came from.

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Responding to the Chairman, the Budget Administrator, Mr. Bryant Morehead, stated that the additional \$25k would come from Fund Balance.

Commissioner Philbeck introduced a motion to give the County Manager the discretion to identify \$25k in cuts to be added to the \$50k to fund KFI at \$75k without using Fund Balance, public education or public safety. Commissioner Carpenter provided the second.

Commissioner Brown asked for year-to-date expenses and if fund raising was an option.

Mr. Morehead advised that KFI was a non-profit that received two payments/year from the County and submits quarterly reports.

After extensive discussion as to the program of work for the next year, grant writing, policy simulator, no FY2011 carry forwards, fund raising, and possible outcomes, Commissioner Philbeck called the question.

Chairman Loftis called for the vote and the motion carried as follows:

Ayes: Commissioners Brown, Philbeck, Loftis, Carpenter
Nays: Commissioners Fraley, Price, Keigher

Gaston College - Roofs & Elevators from Fund Balance

Commissioner Keigher cited documentation and engineering reports on critical needs as presented by Gaston College President, Dr. Pat Skinner, during the Work Session; recalled that documented critical needs for Schools or College were to be brought forth for BOC consideration; College plans to start roofing in three to four weeks for the Myers Center, Section A3 & A4 and the Comer Building, Section A4, at a cost of \$246k+/-; elevator repairs would be about \$26,289; indicated that he saw no need to wait.

Responding to the Chairman, the County Manager stated that the funds would come from Fund Balance; FY2012 capital allocation is \$453k; roof and elevator critical repair needs come from that allocation; then prioritize remaining projects.

Commissioner Keigher introduced the motion to approve \$246k additional from Fund Balance to provide roof replacements and elevator repairs. Commissioner Philbeck provided the second.

Commissioner Brown agreed with funding the \$246k from the \$453k indicating that it may be some time before College identifies other needs.

Dr. Pat Skinner recalled that the Chiller replacement (\$250k) came from the FY2011 \$450k capital budget; other items could not be completed due to the Chiller expenditure; #1 capital priority for 2012 is to complete the replacement of the Regional Fire & Rescue Training Center's Fuel Delivery System as required by OSHA and begun in 2011 with remaining funding of \$50k+/- coming from the 2012 budget; reviewed other prioritized needs.

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Responding to Commissioner Fraley, Dr. Skinner indicated possible State budget cuts of \$3M-\$3.5M.

Commissioner Fraley cautioned about replacing items in the budget in an effort to avoid voting for a tax increase.

Chairman Loftis agreed stating that a little over \$1M had been slowly added back; encouraged the BOC to be cognizant of that. The Chairman called for the vote on appropriating \$246k from Fund Balance for roofing needs and \$26k for elevator repairs as identified by the College and the motion carried as follows:

Ayes: Commissioners Keigher, Carpenter, Philbeck, Price
Nays: Commissioners Loftis, Brown, Fraley

Gaston County Museum of Art & History

Commissioner Philbeck asked for a vote on funding for the Museum; \$18k restored already; the request for \$42k would fund the Program Coordinator position.

Commissioner Philbeck introduced the motion to restore the Program Coordinator position funding at \$42k and for the County Manager to identify funds from areas other than public safety and public education. Commissioner Price provided the second.

Responding to Commissioner Carpenter as to any salary savings due to the positive being vacant since March 1, Mr. Morehead stated that salary savings works out in the Fund Balance and were captured for all County departments.

Commissioner Brown advised that Dr. Ed Smith, Gaston Regional Chamber, had his doctorate in history, and had asked to volunteer his time at the Museum upon his retirement.

The County Manager suggested approving the motion, but still pursue that option in working cooperatively with the Museum Board; cost could be avoided in its entirety with a volunteer or a part time person.

Commissioners Philbeck and Price accepted the corrected motion to include the option of working cooperatively with the Museum Board to pursue a volunteer or part time person and save taxpayer money.

Chairman Loftis called for the vote on the motion to restore the Program Coordinator position at \$42k; to work cooperatively with the Museum Board to pursue a qualified volunteer or part time person to save taxpayer money; for the County Manager to use lapsed salaries and identify the remainder of the funds in areas other than public safety and public education. The motion carried as follows:

Ayes: Commissioners Loftis, Keigher, Carpenter, Philbeck, Price, Brown
Nays: Commissioner Fraley

Adoption of the FY2011-12 Gaston County Budget Continued

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Recalling the initial motion by Commissioner Fraley and the second by Commissioner Philbeck to adopt the Budget as stated with amendments, Chairman Loftis called for the vote and the motion failed to carry by the following vote:

Ayes: Commissioners Loftis, Keigher, Carpenter
Nays: Commissioners Fraley, Brown, Price, Philbeck

Chairman Loftis called for a motion to approve the Manager's original budget prior to any changes:

Commissioner Fraley introduced the motion to approve the Manager's original budget prior to any changes. Commissioner Keigher provided the second.

Chairman Loftis called for the vote and the motion failed to carry as follows:

Ayes: Commissioner Fraley
Nays: Commissioners Loftis, Brown, Price, Philbeck, Keigher Carpenter

Chairman Loftis asked the four dissenting commissioners for any specific additions or deletions in order to support the budget.

Commissioner Price asked how much money would be returned to the County in savings if the School District was cutting 436 positions.

The County Manager advised that 436 was not the net; Schools would add 150 positions via the Stimulus; Senate Budget indicated a 4% reduction; the School Superintendent's numbers are based on a 10% reduction; County pays some teacher supplements; do not believe that money is returnable to the County based on a capital/operating budget only.

The County Attorney indicated that funds would not be returnable.

The School Superintendent, Mr. Reeves McGlohon, stated if the State Budget was enacted into law that the number of positions would be significantly reduced; the budget adopted by the Legislature contained a 5% cut; would lose 200 positions via projections from State and Federal cuts; 100 of which would be paid for one additional year via Federal jobs money; that would be a loss of 100; many of those have no County supplement money attached; \$1,000 - \$1,200 is paid out to every teacher employed. Mr. McGlohon stated that school costs were not being held harmless although the County held school funding harmless; emphasized that \$1.5M worth of people had been cut in order to fund increased utility and fuel oil costs; local money would not be spent next year for those teachers cut; have no estimated amount; explained Federal Stimulus reductions and State budgeted teacher additions indicating that there may be some offsetting.

Commissioner Fraley asked the BOC to consider a one-cent tax increase; could favor all cuts being put back in; would prefer not to get into a critically dangerous situation with the Fund Balance; would like to avoid a huge tax increase next year; not against any of the programs; looking at this from a totally realistic situation and from where the BOC stands.

Commissioner Fraley so motioned and Commissioner Price provided the second.

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Recapping this evenings total, Commissioner Keigher indicated that the full cent may not be needed to cover changes made this evening; audit may come in more than expected; opposed an increase this year when a much greater increase will be required next year.

Chairman Loftis called for the vote which failed to carry as follows:

Ayes: Commissioners Fraley, Price, Carpenter
Nays: Commissioners Brown, Philbeck, Loftis, Keigher

Commissioner Keigher introduced a motion to adopt the Manager's budget with additions.

Chairman Loftis called for the vote and the motion failed due to lack of a second.

Commissioner Carpenter indicated that he did not want the Fund Balance to drop any lower; that one-half cent may come close to filling the gap; recalled that no money was allocated for economic development.

Commissioner Carpenter introduced a motion for a one-half cent tax increase and Commissioner Fraley provided the second.

Commissioner Keigher cited the debate about the \$246k for Gaston College + the \$25k for Keeping Families Intact + \$42,500 for a total of \$313,500 being taken from Fund Balance; that \$13M had already been used; that a one-half cent tax increase would do little toward offsetting a possible \$15M shortfall next year.

Commissioner Brown stated his opposition to using the Fund Balance; suggested identifying other revenue streams including a referendum; encouraged putting critical needs before wants.

Chairman Loftis called for the vote on the motion for a one-half cent tax increase and the motion failed to carry as follows:

Ayes: Commissioners Fraley, Carpenter
Nays: Commissioners Brown, Price, Philbeck, Loftis, Keigher

The Chairman called for a 10-minute recess.

2011-163 Adoption of the FY2012 Gaston County Budget

Commissioner Keigher introduced the motion to adopt the Manager's Budget less the roofing and elevator projects for Gaston College; with direction to the County Manager to identify at his discretion budget funding - \$25k for Keeping Families Intact and the \$42,500 for the Museum Program Director - without the use of public safety or Fund Balance. Commissioner Brown provided the second.

Chairman Loftis called for the vote and the motion to adopt the FY2012 Gaston County

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Budget, as stated, carried by the following vote:

Ayes: Commissioners Fraley, Carpenter, Brown, Loftis, Keigher
Nays: Commissioners, Price, Philbeck

2011-164 Commissioner Loftis - Adoption of the FY2011-2012 Gaston County Budget Ordinance

On motion introduced by Commissioner Keigher and seconded by Commissioner Fraley, the BOC unanimously adopted the FY2011-2012 Gaston County Budget Ordinance as follows:

BUDGET ORDINANCE
FISCAL YEAR 2011-2012
GASTON COUNTY, NORTH CAROLINA

BE IT ORDAINED by the Board of Commissioners of Gaston County, North Carolina:

SECTION I. BUDGET ADOPTION 2011-2012. There is hereby adopted a budget for the County of Gaston for the fiscal year beginning July 1, 2011 and ending June 30, 2012, a summary of which (by fund and function) is included as Exhibits I and II. The budget is hereby adopted by fund on a functional basis, except as provided for in Section VII. The County Manager and the Budget Administrator are directed to finalize the line-item detailed budget, at which time that document shall be incorporated herein as if fully set out verbatim and referred to hereinafter as the "2011-2012 Gaston County Budget."

SECTION II. TAX RATE LEVY 2011-2012. There is hereby levied for fiscal year 2011-2012 a tax rate of 83.50 cents per \$100.00 of assessed valuation. The total valuation for Gaston County that the 2011-2012 Gaston County Budget is based upon is \$14,610,672,239.

SECTION III. PERIODIC FINANCIAL REPORTS. A report comparing budgeted and actual revenues and expenses by object account shall be presented in ten copies, when requested, to the County Finance Officer for each agency or department funded by the County where accounting is not done by the County. The report shall be monthly, unless special circumstances exist in which case the report may be quarterly.

The County Manager shall be notified of any changes in the budget presented to the Board of Commissioners within thirty days of the change by any agency having statutory authority to change its line items. Approved payments may be delayed pending receipt of timely financial information.

SECTION IV. SALARIES. The FY 2011-2012 Gaston County Budget fully funds longevity. The merit step plan is not funded and there are no funds allocated for a Cost of Living Adjustment (COLA). In lieu of the merit step plan all full-time employees will receive an additional 60 hours of annual leave during FY 2011-2012. Eligible part-time employees will earn a pro-rated share of additional annual leave during FY 2011-2012.

SECTION V. BUDGET OFFICER AND FINANCE OFFICER. In accordance with the Local Government Budget and Fiscal Control Act, the County Manager has prepared a budget which contains a General Fund, a Health Fund, a Travel & Tourism Fund, a Gaston/Lincoln Regional Library Fund, a Property Revaluation Fund (originally funded by transferring current year property tax revenues from the General Fund, but for FY 2012 appropriating Property Revaluation Fund balance in the amount of \$35,500), a Debt Service Fund, a School Debt Service Fund, a Public Assistance Fund, a Capital Improvements Fund, a Fire District Fund, a Solid Waste Enterprise Fund, Emergency Telephone System Fund and a Self Insurance Fund. Further, the County Manager is designated as the Budget Officer of the County and the Director of Finance is designated as Finance Officer.

As provided by G. S. 159-25 (b), the Board is authorized to require only two signatures on each check or draft that is made on County funds. The signature of the County Manager and the Finance Officer shall be the authorized signatures of the County. The Assistant County Manager shall have signatory authority in the absence of the County Manager and the Finance Officer shall designate signatory authority to a responsible individual on his staff in his absence.

SECTION VI. BUDGET POLICY. It will be the policy of this Board that it will not absorb any reduction in State and Federal Funds. Reducing personnel or program expenditures to stay within the County appropriations is hereby authorized on the basis outlined in the following paragraphs of this section.

This policy is extended to any agency or department that is funded by the County and receives State or Federal money and shall remain in effect until otherwise changed or amended by the Board of Commissioners. The County Manager is hereby directed to indicate this policy to each agency, which may be affected.

If programs which include State, Federal, and/or any other outside revenues, as well as local funding, are subsequently reduced or cut by the outside funding organization, that portion funded by County revenues will be reduced to maintain its original ratio of local expenditures to State, Federal, or other expenditures. For example, of a \$100,000 grant, local funding is \$50,000 and Federal/State funding is \$50,000. Should the State/Federal grant be reduced by \$25,000, then local funds will be reduced by \$25,000, unless other outside revenues are secured to fully offset the grant reduction. Under no circumstances shall reductions in grants be paid by County dollars, regardless of the source of the funding.

Those recipients of County funds which have a balance at the end of the fiscal year must return those funds to Gaston County, except as otherwise approved by the Board of Commissioners.

SECTION VII. TRANSFERS OF FUNDS BETWEEN OBJECT ACCOUNTS. Line item changes are authorized only with the approval of the Board of Commissioners as required by law, except as provided below. The Budget Officer is authorized to transfer monies in the amount of up to \$25,000 from one line item appropriation to another within the same fund and department in accordance with provisions of G. S. 159-15 (except for the Public Assistance Fund, Health Fund and Enterprise Fund, which will each be considered one department). In compliance with Resolution 2003-321, upon making such transfers, the Manager shall accumulate them to be forwarded to the Clerk to the Board on or before the agenda deadline for the next regular scheduled Board of Commissioners meeting so that said transfers may be placed in the agenda and recorded in the minutes of said meeting. Budget Change Requests included in the agenda are for information purposes and will not be discussed by the Board at the meeting unless a Budget Change Request pertains to a resolution that is on the Board's agenda for that meeting. Nothing in

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this resolution in any way affects the County Manager's authority to make budget transfers by the amount provided in the Budget Ordinance.

The Budget Officer is authorized to make transfers between departments for certain nondiscretionary accounts for which budget requests are calculated centrally rather than by the department director – specifically, insurance, insurance deductible, gasoline/diesel fuel; rent of equipment; vehicle maintenance; telephone; communications equipment maintenance; heat, lights, and water; janitorial and lawn maintenance services; lease-purchased vehicles and equipment; motor vehicles; and the central purchases and usage accounts for vehicle parts, tires, gasoline and diesel fuel, central supplies, and postage; and salaries and benefits. The Budget Officer shall also have the authorization to make transfers between accounts for funds appropriated in the Self Insurance Fund.

SECTION VIII. OBLIGATIONS FROM THE PRIOR YEAR. As provided by G.S. 159-13 (b), any funds of a capital or operating nature for which bids have been received or contracts executed in previous fiscal years are hereby re-appropriated. All unpaid encumbrances and ongoing projects that are assigned a project number, capital improvement projects, and any other items which have been approved by the Board of Commissioners, such as grants, are hereby re-appropriated and are to be added to this approved budget.

SECTION IX. SCHOOL BUDGET. Current Expense - The Gaston County Board of Commissioners approves an allocation of \$41,526,704 for the Gaston County Board of Education. In addition, the Board approves \$889,178 for School Resource Officers assigned to schools, as well as \$55,000 for the Commissioners' School of Excellence. All unexpended and unencumbered operating funds at the end of the fiscal year shall be reported to Gaston County and shall be used to offset funds requested from the County for the following fiscal year.

Capital/Debt Service Funds - The Gaston County Board of Commissioners appropriates \$18,406,809 for the school system's FY 2011-2012 capital and debt service needs, to be allocated as follows: \$1,227,000 for capital needs and \$17,179,809 for debt service.

In addition, the Gaston County Schools are hereby directed to present monthly financial reports to the Board, as outlined in Section III above. Failure to do so could result in funds being withheld until the requested information is provided.

SECTION X. GASTON COLLEGE BUDGET. In accordance with North Carolina General Statute 115D, Gaston County shall provide, based upon the appropriations herein, funds to Gaston College as needed to meet Current Fund and Capital Fund expenditures. The FY 2011-2012 appropriation for Gaston College totals \$6,731,347 to be allocated as follows: \$4,229,923 for current operating expenses; \$453,219 for capital expenses; and \$2,048,205 for debt service expenditures.

All unexpended and unencumbered operating funds at the end of the fiscal year shall be reported to Gaston County and shall be used to offset funds requested from the County for the following fiscal year. Reserves for future capital projects shall remain with Gaston County to the credit of Gaston College until requested for payment of duly appropriated obligations. Payment of all capital expenditures shall be made upon presentation of the appropriate invoices to Gaston County.

In addition, Gaston College is hereby directed to present monthly financial reports to the Board, as outlined in Section III above. Failure to do so could result in funds being withheld until the requested information is provided.

SECTION XI. APPROVAL OF DEPARTMENTAL BUDGETS. The Board of County Commissioners does hereby approve the amended budget of each department by the County Manager or as amended by this Board on pages 5-6 herein and as more fully detailed in the document to be finalized per Section I above.

SECTION XII. CAPITAL IMPROVEMENT FUND. Capital Improvement project information will be provided at a later date through an amendment to this budget ordinance. Accordingly, upon Board approval of the amendment, the Finance Director is authorized to make the proper entries to the County's accounting records as of June 30, 2011 to cause the net balance of the appropriate projects to revert to the Capital Improvement Fund's fund balance.

SECTION XIII. FIRE DISTRICTS. The Board of Commissioners by separate resolutions adopted tax rates for fire districts in the County. The amount to be distributed to each fire district in FY 2011-12 is limited to the tax levy based on the approved tax rate. Monthly distributions to the fire districts will be 8.33% of the approved budget beginning in July through November. In December the amount given to the fire districts will be reviewed and reconciled to the amount collected. January through June the fire districts will be distributed the amount collected up to the total approved budget. Should distributions in the second half of the fiscal year exceed the collected amount, distributions will discontinue until the distribution and collected amount is equal.

For all fire districts, any tax receipts collected in excess of the budgeted tax levy shall be retained by the County in an account earmarked for each fire district and will be used as carry forward funds in subsequent years to reduce the districts' budget requests. Interest shall accrue on funds retained for each fire district in an amount proportional to all other funds of the County. Additional appropriations to any fire district must be approved by separate resolution of the Board.

SECTION XIV. SELF INSURANCE INTRAGOVERNMENTAL SERVICE FUND.

As provided by the Section 159-13.1 of the Local Government Budget and Fiscal Control Act, funds allocated to an intragovernmental (internal) service fund need not be included in a jurisdiction's budget ordinance but must be approved by the governing board in a balanced financial plan, contained herein as Exhibit III.

Currently, the General Fund Balance has \$1,841,032 designated for future healthcare benefits. This amount has been accumulated over the years because actual health care costs have been less than budgeted. In order to use these funds for their designated purpose, the budget ordinance approves transferring these funds to the Self Insurance Intragovernmental Internal Service Fund in Fiscal Year 2012.

SECTION XV. DESIGNATION OF INSURANCE RESERVES. The Board of Commissioners approves the designation of unspent funds, from "Insurance" line items (450-000) into fund balance titled "Designated for Insurance Reserves".

Adopted this the 9th day of June, 2011, to become effective on July 1, 2011.

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Exhibit I

GASTON COUNTY, NORTH CAROLINA
BUDGET ORDINANCE
REVENUES
FOR THE FISCAL YEAR ENDING JUNE 30, 2012

SOURCES of FUNDS	GENERAL FUND	HEALTH FUND	PUBLIC ASSIST. FUND	REGIONAL LIBRARY FUND	TRAVEL & TOURISM FUND	PROPERTY REVAL. FUND	EMERGENCY TELEPHONE FUND	FIRE DISTRICT FUND	DEBT SERVICE FUND	SCHOOL DEBT SERVICE FUND	CAPITAL IMPVMTS. FUND	SOLID WASTE FUND	TOTAL
SOURCES of FUNDS	\$122,423,482												\$126,144,062
AD VALOREM TAXES	\$23,234,000												\$ -
OTHER TAXES/LICENSES					\$489,092								\$24,013,092
RESTRICTED INTERGOVERNMENTAL REVENUE	\$2,825,792	\$2,472,000	\$25,678,138	\$402,000						\$3,286,383		\$290,000	\$ -
FEES, LICENSES, PERMITS	\$2,331,250											\$20,000	\$ -
SALES & SERVICES	\$12,889,962	\$5,705,332	\$7,000									\$4,523,159	\$6,854,409
E-911 SURCHARGE							\$715,435					\$2,171,000	\$20,773,294
INTEREST ON INVESTMENTS	\$100,000								\$ -				\$ -
MISCELLANEOUS REVENUE	\$508,367	\$1,085,566	\$251,459									\$715,000	\$100,000
INSTALLMENT PURCHASES												\$715,000	\$ -
FUND BALANCE APPROPRIATION	\$9,139,938	\$ -	\$4,000,000	\$ -	\$35,500	\$52,283						\$1,500,000	\$5,500,000
TRANSFERS FROM OTHER FUNDS	\$ -	\$6,144,883	\$10,420,882		\$175,000	\$ -			\$7,954,964	\$13,179,809	\$2,624,119		\$13,941,338
CAPITAL IMPVMTS. FUND TRANSFERS	\$ -												\$ -
	\$173,452,791	\$15,407,801	\$40,357,479	\$402,000	\$664,092	\$35,500	\$767,718	\$3,720,580	\$7,954,964	\$17,179,809	\$6,624,119	\$9,219,159	\$275,786,012

RECONCILIATION OF GROSS TO NET BUDGET:

GROSS BUDGET	\$275,786,012
LESS INTERFUND TRANSFERS	\$40,499,657
NET BUDGET	\$235,286,355

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Exhibit II

GASTON COUNTY, NORTH CAROLINA
BUDGET ORDINANCE
APPROPRIATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2012

APPROPRIATIONS:

Function	General Fund	Health Fund	Public Assistance Fund	Regional Library Fund	Travel & Tourism Fund	Property Reval. Fund	Emerg. Telephone Fund	Fire District Fund	Debt Service Fund	School Debt Service	Capital Impvmts. Fund	Solid Waste Fund	TOTAL
General Government	\$12,848,573										\$4,509,400	\$9,219,159	\$12,884,073
Community Services	\$7,970,315										\$ -		\$22,764,966
Human Services	\$4,923,908	\$15,407,801	\$40,357,479	\$402,000	\$664,092	\$35,500					\$1,680,219		\$48,689,188
Education	\$46,700,805										\$ -		\$53,983,401
Public Safety	\$49,495,103						\$767,718	\$3,720,580			\$434,500		\$11,448,930
Support Services	\$11,014,430												\$25,134,773
Debt Service	\$ -								\$7,954,964	\$17,179,809	\$ -		\$40,499,657
Transfers to Other Funds	\$40,499,657												
	\$173,452,791	\$15,407,801	\$40,357,479	\$402,000	\$664,092	\$35,500	\$767,718	\$3,720,580	\$7,954,964	\$17,179,809	\$6,624,119	\$9,219,159	\$275,786,012

RECONCILIATION OF GROSS TO NET BUDGET:

Gross Budget	\$275,786,012
Less Interfund Transfers	\$(40,499,657)
NET BUDGET	\$235,286,355

Exhibit III

GASTON COUNTY, NORTH CAROLINA
BALANCED FINANCIAL PLAN
SELF INSURANCE INTRAGOVERNMENTAL SERVICE FUND
FOR THE FISCAL YEAR ENDING JUNE 30, 2012

	SELF INSURANCE FUND	TOTAL
SOURCES OF FUNDS:		
FEES, LICENSES, PERMITS	\$15,955,852	\$15,955,852
APPROPRIATIONS:		
SELF INSURANCE FUND	\$15,955,852	\$ -
	\$ -	\$ -

GASTON COUNTY, NORTH CAROLINA

2011-165 Commissioner Fraley - Authorization for Tax Collection

On motion introduced by Commissioner Fraley and seconded by Commissioner Philbeck , the BOC unanimously approved the following:

WHEREAS, under N.C.G.S. 105-321 (b), the North Carolina Machinery Act, it is required that the Board of County Commissioners authorize the Tax Collector to collect the taxes charged in the tax records and receipts.

NOW, THEREFORE, BE IT RESOLVED that the following order be entered into the minutes of the Board of County Commissioners and a copy be delivered to Charles Luther Sisk, Jr., Tax Collector of Gaston County. You are hereby authorized, empowered, and commanded to collect the taxes set forth in the tax records filed with the Office of the Tax Collector and in the tax receipts herewith delivered to you, in the amounts and from the taxpayers likewise therein set forth. Such taxes are hereby declared to be a first lien upon all real property of the respective taxpayers in the County of Gaston, and this order shall be a full and sufficient authority to direct, require, and enable you to levy on and sell any real or personal property of such taxpayers, for an on account thereof, in accordance with law.

Witness my hand and official seal, this 9th day of June, 2011.

2011-166 Commissioner Loftis - Order to Levy and Collect Ad Valorem Tax for Gaston County Fire Service Districts

On motion introduced by Commissioner Loftis and seconded by Commissioner Philbeck, the BOC approved the following:

WHEREAS, the Gaston County Board of Commissioners created eighteen fire service districts Pursuant to citizen requests, under Part 1, Article 16 of Chapter 153A of the North Carolina General Statutes; and,

WHEREAS, the Board of Commissioners is authorized by the same law to levy and collect a tax in said districts; and,

WHEREAS, based on the total valuation per district and the total budget submitted by each volunteer fire department contracting to provide fire protection districts should be levied at the rates listed below per \$100.00 valuation of taxable property.

NOW, THEREFORE, BE IT RESOLVED by the Gaston County Board of Commissioners that the tax for each fire service district for FY 2011-2012 is levied at the following rate per \$100.00 of assessed and taxable property:

District	Levy	Tax Rate
Agriculture Center	\$ 287,083	\$ 0.060
Alexis	\$ 202,341	\$ 0.085
Chapel Grove	\$ 235,801	\$ 0.075
Chestnut Ridge	\$ 62,908	\$ 0.073
Community	\$ 295,742	\$ 0.093
Crouse	\$ 71,398	\$ 0.074
East Gaston	\$ 309,779	\$ 0.074
High Shoals	\$ 151,848	\$ 0.097
Hughs Pond	\$ 89,460	\$ 0.101
Lowell	\$ 4,855	\$ 0.050
Lucia-Riverbend	\$ 287,560	\$ 0.105
New Hope	\$ 299,198	\$ 0.070
Ranlo	\$ 187,950	\$ 0.079
South Point	\$ 200,742	\$ 0.054
Spencer Mountain Road	\$ 184,627	\$ 0.062
Tryonota	\$ 181,566	\$ 0.073
Union Road	\$ 323,087	\$ 0.067
Waco	\$ 20,769	\$ 0.073

BE IT FURTHER RESOLVED that funds distributed to each District shall not exceed the actual tax receipts collected during the fiscal year.

2011-167 Commissioner Loftis - Order to Levy and Collect Ad Valorem Tax for South Gastonia Fire Protection District

On motion introduced by Commissioner Loftis and seconded by Commissioner Philbeck, the BOC approved the following:

WHEREAS, a majority of the qualified voters in the South Gastonia Fire Protection District has voted in favor of levying and collecting a tax in said district; and,

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WHEREAS, the Gaston County Board of Commissioners is authorized and directed pursuant to North Carolina General Statute 69-25.4 to levy and collect a tax in said district; and,

WHEREAS, the Board of Commissioners finds, based on the total valuation of taxable property in the South Gastonia Fire Protection District, an estimated collection rate, and the total budget submitted by the South Gastonia Fire Protection District, that the tax rate for the South Gastonia Fire Protection District should be levied at \$0.075 per \$100 valuation of the assessed and taxable property for an estimated levy of \$285,662.

NOW, THEREFORE, BE IT RESOLVED by the Gaston County Board of Commissioners that the tax for the South Gastonia Fire Protection District for FY 2011-2012 is levied at the rate of \$0.075 per \$100 of assessed and taxable property.

BE IT FURTHER RESOLVED that funds distributed to the District shall not exceed the actual tax receipts collected during the fiscal year. Any tax revenue collected in excess of the total of the approved 2011-2012 budgeted levy cannot be spent that tax year. Instead, any excess monies shall be earmarked or placed in special escrow accounts for the District to be used the following year in reducing the District's request.

BE IT FURTHER RESOLVED that the Gaston County Tax Collector is directed to compute the district tax for each taxpayer, to state separately on the County tax receipts and district for the fiscal year, and to collect the district tax in the same manner that county taxes are collected.

BE IT FURTHER RESOLVED by the Board of Commissioners that payment of taxes collected is hereby authorized to the District with said payment to be made from an account assigned to the District.

2011-168 Commissioner Loftis - Order to Levy and Collect Ad Valorem Tax for Long Shoals Fire Protection District

On motion introduced by Commissioner Loftis and seconded by Commissioner Brown, the BOC approved the following:

WHEREAS, a majority of the qualified voters in the South Gastonia Fire Protection District has voted in favor of levying and collecting a tax in said district; and,

WHEREAS, the Gaston County Board of Commissioners is authorized and directed pursuant to North Carolina General Statute 69-25.4 to levy and collect a tax in said district; and,

WHEREAS, the Board of Commissioners finds, based on the total valuation of taxable property in the South Gastonia Fire Protection District, an estimated collection rate, and the total budget submitted by the South Gastonia Fire Protection District, that the tax rate for the South Gastonia Fire Protection District should be levied at \$0.075 per \$100 valuation of the assessed and taxable property for an estimated levy of \$285,662.

NOW, THEREFORE, BE IT RESOLVED by the Gaston County Board of Commissioners that the tax for the South Gastonia Fire Protection District for FY 2011-2012 is levied at the rate of \$0.075 per \$100 of assessed and taxable property.

BE IT FURTHER RESOLVED that funds distributed to the District shall not exceed the actual tax receipts collected during the fiscal year. Any tax revenue collected in excess of the total of the approved 2011-2012 budgeted levy cannot be spent that tax year. Instead, any excess monies shall be earmarked or placed in special escrow accounts for the District to be used the following year in reducing the District's request.

BE IT FURTHER RESOLVED that the Gaston County Tax Collector is directed to compute the district tax for each taxpayer, to state separately on the County tax receipts and district for the fiscal year, and to collect the district tax in the same manner that county taxes are collected.

BE IT FURTHER RESOLVED by the Board of Commissioners that payment of taxes collected is hereby authorized to the District with said payment to be made from an account assigned to the District.

2011-169 Commissioner Brown - Budget/Purchasing - To Accept and Appropriate a Grant in the Amount of \$35,000 for the Shelter of Gaston County from First Gaston Foundation

On motion introduced by Commissioner Brown and seconded by Commissioner Philbeck, the BOC unanimously accepted and appropriated a grant in the amount of \$35,000 for the Shelter of Gaston County from First Gaston Foundation per Budget Change Request:

The Shelter of Gaston County	20-5582-841-511		(\$35,000)
Shelter Building Structures and Improvements	20-5582-580-000	08-321-0001 Shelter Bldg. Fund	\$35,000

2011-170 Commissioner Price - Health - To Approve the Concept of a Teen Health Clinic at

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GASTON COUNTY, NORTH CAROLINA

the Gaston County Health Department and to Authorize Staff to Proceed with the HHC Design Process

On motion introduced by Commissioner Price and seconded by Commissioner Fraley, the BOC approved the concept of a Teen Health Clinic at the Health Department and authorized staff to proceed with the HHC design process.

Ayes: Commissioners Fraley, Price, Keigher, Carpenter
Nays: Commissioners Brown, Loftis, Philbeck

2011-171 Commissioner Brown - Parks & Recreation - To Carry Forward \$8,903 Remaining Gaston County Parks and Recreation Incentive Grant Funds for East Gaston High School to be Used to Build a Practice Soccer Field

On motion introduced by Commissioner Brown and seconded by Commissioner Price, the BOC unanimously approved carrying forward \$8,903 remaining Parks and Recreation Incentive Grant funds for East Gaston High School to build a practice soccer field.

2011-172 Commissioner Brown - Proclamation - Parks & Recreation Month

On motion introduced by Commissioner Brown and seconded by Commissioner Philbeck, the BOC unanimously proclaimed July 2011 as Parks & Recreation Month in Gaston County.

Adjournment

Chairman Loftis adjourned the Special Meeting of June 9, 2011 at 9:20 pm.

(All aforementioned documents are on file with the Clerk to the Board.)

Donnie Loftis, Chairman
Gaston County Board of Commissioners

Martha M. Jordan
Clerk to the Board

SEAL