

**MINUTES OF THE MEETING  
SPECIAL MEETING OF THE  
ROWAN COUNTY BOARD OF COMMISSIONERS  
BUDGET WORK SESSION**

**June 20, 2011 – 4:00 PM**

**J. NEWTON COHEN, SR. ROOM**

**J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING**

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Present: Chad Mitchell, Chairman  
Carl Ford, Vice-Chairman  
Jon Barber, Member  
Raymond Coltrain, Member  
Jim Sides, Member

County Manager Gary Page, Clerk to the Board Carolyn Athey and Finance Director Leslie Heidrick were present. County Attorney Jay Dees was absent.

Chairman Mitchell convened the meeting at 4:00 pm.

**OPENING REMARKS**

Chairman Mitchell said the Board had reviewed the County Manager's budget recommendation, as well as the budget requests that had been submitted. Chairman Mitchell turned the floor over to the County Manager for any comments regarding the proposed budget.

Mr. Page provided an overview of the County's budget for the past three (3) years. Mr. Page said the County had cut vacant positions, cut employees, furloughed, and reorganized several departments, including not filling positions when employees retired, privatized some services, offered no pay raises and cut health insurance benefits.

Mr. Page said in order to bring revenues in line with expenses, departments were asked to help cut the budget by \$2 million. Mr. Page reported that departments had cut the budget by approximately \$2.5 million. Additionally, Mr. Page recommended cutting the school system by \$1 million; with cuts for capital projects at the community college, the County was able to cut the budget by \$4 million.

Mr. Page discussed the County's fund balance, as well as the fund balance for Rowan Salisbury Schools (RSS) and said next year's budgets would be most difficult.

Before the Board began its budget discussion, Chairman Mitchell turned the floor over to Commissioner Sides to provide the Invocation and to lead the Pledge of Allegiance.

Chairman Mitchell said in regards to the agenda, the Board would discuss the 2011-12 proposed budget and if additional time was required, the Board would recess if necessary.

### **1. DISCUSSION REGARDING 2011-12 BUDGET**

Chairman Mitchell said the County Manager recommended the proposed 2011-12 budget, which included a tax rate of \$.6225 cents and \$4 million in cuts from the previous fiscal year's budget.

Chairman Mitchell said the original budget had included a recommended 10% cut to all nonprofits; however, Commissioner Ford had offered a motion that modified the proposal and the Board was operating under the modified proposal.

Chairman Mitchell said if the Board could reach a decision regarding budget adoption, he was agreeable to passing the budget during the current work session.

Commissioner Sides commented that the budget was comprised of six (6) budget ordinances and in his opinion there were four (4) that would not be an issue, regardless of the tax rate.

- Commissioner Sides moved to approve Fund 202 - Emergency Telephone System Fund. The motion was seconded by Commissioner Ford and passed unanimously.
- Commissioner Sides moved to approve Fund 501 – Risk Management Fund. The motion was seconded by Commissioner Barber and carried unanimously.
- Commissioner Sides moved, Commissioner Barber seconded and the vote to approve Fund 601 – Landfill Fund carried unanimously.
- Commissioner Sides moved, Commissioner Barber seconded and the vote to approve Fund 603 – Airport Fund passed unanimously.

**Fund 101  
Rescue Squad**

Commissioner Sides discussed funding for the nonprofits, including the Rescue Squad (RS). Commissioner Sides said the proposed funding was for \$412,198 and that he had requested the RS be cut by 10%, or \$41,219.

Commissioner Sides moved to cut the RS by \$41,219. The motion was seconded by Commissioner Ford.

Commissioner Sides said he had asked for detailed information from the RS regarding their budget proposal and that he felt all his questions were not answered. Commissioner Sides said it disturbed him the RS had made no cuts for the past 3 or 4 years and had instead gone up. Commissioner Sides said one glaring problem he had with the RS budget was their insurance in comparison to the insurance of county employees. Commissioner Sides said the county employees had high deductibles, higher co-pays, etc. Commissioner Sides discussed the monthly premiums and annual cost of the RS insurance and was of the opinion that any RS board member that had voted for the plan should resign. Commissioner Sides said he could not accept insurance that rose to the level of what the RS currently had and that he felt the RS could save \$26,000 per year by eliminating the chief's position. Commissioner Sides said the County was not telling the RS to cut its insurance but rather taking \$41,000 to be cut by the RS. Commissioner Sides felt the request was in line with what was requested from all other non-profits and with what the County had requested from its own county employees.

Commissioner Ford said the RS budget had doubled in the past 5 years and the County was asking for help "across the Board."

Commissioner Coltrain said the RS had also taken a cut from the United Way. Commissioner Coltrain said his position on the matter was to consider the reduction from the United Way and decrease the RS by 3%, which would equal an overall 10% cut. Commissioner Coltrain felt the Board should address the RS issue at a later date to determine how the County wished to provide emergency services to its citizens. Commissioner Coltrain said he was researching the matter and would bring information to the Board at a later date. Commissioner Coltrain said he would like to see a 5% cut to the RS and would compromise for a 3% cut.

Commissioner Barber said he had served as a voting member of the RS board for the past 3 years; however, he was not present at the meeting when the health insurance was approved. Commissioner Barber said he had expressed concern with the RS health insurance coverage and the RS management had agreed to address the matter at their next meeting in order to be more in line with what the County and State was doing. Commissioner Barber reminded the

Board that the RS provided services other agencies could not provide. Commissioner Barber said he would support a 3% reduction to the RS.

Chairman Mitchell said the RS provided a vital service to Rowan County that the County could not currently afford to provide. Chairman Mitchell said the RS provided backup services to the southern portion of the County where call volume had increased and the County's response times had not been good. Chairman Mitchell said he would consider other solutions when they were brought forward and that Commissioner Barber could report back to the Board on the insurance issue.

Upon being put to a vote, the motion on the floor for a 10% reduction to the RS failed with Commissioners Mitchell, Coltrain and Barber dissenting.

Commissioner Barber moved to reduce funding to the RS by 3%, in addition to the fact that the agency would address the insurance issue at its' next meeting. Commissioner Barber said he would report back on the RS subsequent actions.

Commissioner Coltrain seconded the motion and also said he would bring additional information to the Board in the next few months in regards to providing emergency services.

The motion passed 3-2 with Commissioners Sides and Ford dissenting.

### **Rowan Museum**

Commissioner Sides moved to cut Rowan Museum by 10% to bring them in line with the other non-profits. The motion was seconded by Commissioner Ford and after a brief discussion, the motion passed unanimously.

### **Salisbury Rowan Human Relations Council**

Commissioner Sides moved to allocate \$0 to the Salisbury Rowan Human Relations Council (SRHRC). The motion was seconded by Commissioner Ford.

Commissioner Coltrain said he would support a 10% cut.

The motion to reduce funding to the SRHRC passed 3-2 with Commissioners Coltrain and Barber dissenting.

Chairman Mitchell moved to set aside \$3,150 to be earmarked for the Martin Luther King, Jr. breakfast. The motion was seconded by Commissioner Barber and passed unanimously.

### **Chamber of Commerce**

Commissioner Sides moved to fund the Rowan County Chamber of Commerce in the amount of \$2500. The motion was seconded by Commissioner Ford and passed unanimously.

### **Remaining Allocations for Non-profits/Special Appropriations**

Commissioner Sides moved that the other line items earmarked at 10% and the line items at 0% be accepted. The motion was seconded by Commissioner Ford.

Chairman Mitchell highlighted the recommendations in the County Manager's budget:

Rowan Arts Council – \$20,691  
Army National Guard – 10% reduction  
Cabarrus Rowan Metropolitan Planning Organization - \$0 reduction  
Central Park NC - \$0 reduction  
Charlotte Regional Partnership – 10% reduction  
Iredell Soil & Water - \$0 reduction  
Civil War Trail - \$0 reduction  
Forest Service - \$0 reduction  
Transportation Museum – 10% reduction  
Bullhole River Park – 10% reduction  
Rowan Arts Council – 10% reduction  
Rowan Vocational Opportunities - \$0 reduction  
Salisbury Rowan Economic Development Commission – 10% reduction

Upon being put to a vote, the motion on the floor passed unanimously.

### **SCHOOL SYSTEM**

Commissioner Coltrain said he had met with Rowan Salisbury Schools (RSS) Superintendent Dr. Judy Grissom and Finance Officer Tara Trexler in regards to the RSS budget. Commissioner Coltrain highlighted the discussion that had taken place and said he supported the County Manager's position to reduce the RSS budget by \$1 million.

Commissioner Coltrain moved to accept the County Manager's recommendation for a \$1 million reduction for the school system. The motion was seconded by Commissioner Barber.

Commissioner Sides felt the cuts made by RSS did not measure up to the cuts that had been made by the County. Commissioner Sides said RSS banked money each year that belonged to the taxpayers of Rowan County. Commissioner Sides discussed the RSS fund balance and stimulus funds. Commissioner Sides said the State determined the school's budget and it was the State's responsibility to fund them. Commissioner Sides recommended cutting \$2 million from the schools to help balance the County's budget.

Commissioner Ford felt the \$1 million cut was a good start. Commissioner Ford said neither nonprofits nor the schools had been asked to make cuts in the past few years and now the County was asking for help "across the board."

Commissioner Ford repeated that a \$1 million cut was a good start but that he would rather see a \$2 million cut.

Commissioner Barber supported the \$1 million reduction to the school system.

Upon being put to a vote, the motion on the floor passed 3-2 with Commissioners Sides and Ford dissenting.

### **Sheriff**

Commissioner Barber pointed out in the proposed budget a salary increase for Sheriff Kevin Auten and he said in the spirit of transparency the Board should acknowledge the increase. Commissioner Barber said the Sheriff was duly elected in November at which time the Board established a salary for him. Commissioner Barber said there was discussion at the time pertaining to revisiting the issue six (6) months later. Commissioner Barber asked the County Manager to acknowledge that the salary increase was included in the budget.

Mr. Page said the Sheriff's salary was increased to \$90,000 in order to be commensurate with other local law enforcement department heads.

Commissioner Sides moved approval of the Sheriffs salary. The motion was seconded by Commissioner Barber and passed unanimously.

### **Board of Commissioners Salaries**

Commissioner Coltrain referred to the Commissioners' salaries in Fund 101 and said the Commissioners' receive a salary of \$12,208 each, with the Chairman receiving a salary of \$14,650.

Commissioner Coltrain moved that the Board accept a 10% decrease in salaries. Commissioner Coltrain said the board members did not depend on the salary as primary income and it would show the employees that the board members were willing to help "bite the bullet." The motion was seconded by Commissioner Barber.

Commissioner Ford said the difference was that over the years when employees received a Cost of Living Adjustment (COLA), the Commissioners had not. Commissioner Ford said the Commissioners were receiving the same salary as that of ten (10) years ago.

Commissioner Sides disagreed with Commissioner Coltrain's comment in that the Commission salary was his only income.

Chairman Mitchell said he would only support the motion so that when county employees received a COLA, the Board of Commissioners did, as well.

Commissioner Coltrain would not accept the amendment to the motion.

Upon being put to a vote, the motion on the floor failed 2-3 with Commissioners Mitchell, Sides and Ford dissenting.

Commissioner Barber commented that Fund 101 did not demonstrate the value of the County's employees. Commissioner Barber said employees had made significant sacrifices over the past few years. Commissioner Barber asked the Clerk to add a discussion to the first agenda in August relating to various recognition programs for employees for the Board's consideration. Commissioner Barber also said he would like for the Board to hold a discussion at the same meeting regarding the retirement of the County Assessor.

Chairman Mitchell said the Board was possibly looking at a lengthy public hearing (tower issue) in August and asked Commissioner Barber for leeway on the proposed discussions.

**Commissioner Coltrain moved to accept Fund 101. The motion was seconded by Chairman Mitchell.**

At this point, Commissioner Barber read prepared comments concerning the Board's responsibility to adopt a balanced budget and to set a fiscally responsible tax rate.

The motion to approve Fund 101 passed 3-2 with Commissioners Ford and Sides dissenting.

#### **FUND 201 – FIRE DISTRICT FUND**

Chairman Mitchell asked Ms. Heidrick which Volunteer Fire Departments (VFD) were not listed at the revenue neutral levy, per Fund 201. Ms. Heidrick said all the VFD were at revenue neutral or less.

Commissioner Sides said the fire districts that were requesting a tax rate increase were Atwell, Bostian, Cleveland, Ellis, Franklin, Liberty, Locke, Miller, Pooletown, South Salisbury and West Rowan. Commissioner Sides said none of those stated were above revenue neutral but were still tax rate increases over last year. Commissioner Sides provided additional information for the departments that were requesting increases. Commissioner Sides said the VFD had not been asked to take any cuts over the past few years and he felt it fair for this one year that there be no tax increase.

Commissioner Sides moved to accept no tax increases for the fire departments for this year. The motion was seconded by Commissioner Ford.

Chairman Mitchell referred to section 16 of the proposed work book and reviewed the "side by side" comparison for the VFD.

Commissioner Barber said he referred to Fund 201 as the County's "volunteerism" budget. Commissioner Barber discussed savings to the citizens for having the VFD and said in 2006 it was estimated that it would cost the County \$64 million to bring the services "in house."

Upon being put to a vote, the motion on the floor failed 2-3 with Commissioners Mitchell, Coltrain and Barber dissenting.

Commissioner Barber moved approval of Fund 201. The motion was seconded by Commissioner Coltrain.

Commissioner Coltrain called Chief Cox of the Miller Ferry VFD forward and questioned him as to whether the additional funding was for employees. Mr. Cox confirmed that 100% of the funding would go towards daytime staffing and personnel. Mr. Cox said the tax rate did not completely fund the staffing and that the department would have to reduce its operating budget by \$15,000. Mr. Cox discussed the number of staff needed and also discussed the increased call volume for the department.

In response to a query from Commissioner Sides, Mr. Page described the Duke Energy construction project as a multi-year project and said the County should be able to add value to the tax base in the Miller Ferry VFD fire district next year.

Upon being put to a vote, the motion on the floor to approve Fund 201 as recommended passed 3-2 with Commissioners Ford and Sides dissenting.

### **ADJOURNMENT**

There being no further business to come before the Board, Chairman Mitchell adjourned the meeting at 5:36 pm.

Respectfully Submitted,

Carolyn Athey, CMC, NCCCC  
Clerk to the Board/Assistant to the County Manager