



**Rutherford County Office Building
289 N. Main Street
Rutherfordton, NC 28139**

Rutherford County

Board of Commissioners

Minutes of Special Meeting of May 8, 2017

**Monday, May 8, 2017
4:00 PM**

I. Call to Order

Chairman King called the May 8, 2017 Special Meeting of the Rutherford County Board of Commissioners to order.

Present: Chairman Bryan King, Vice Chairman Alan Toney, Commissioner Eddie Holland, and Commissioner Greg Lovelace.

Absent: Commissioner Benfield

A. Agenda Approval

Vice Chairman Toney moved to approve the agenda. Commissioner Lovelace seconded the motion. The vote on the motion was:

Ayes: Commissioner King, Commissioner Toney, Commissioner Benfield, Commissioner Holland and Commissioner Lovelace.

Noes: None

Absent: Commissioner Benfield

II. New Business

A. ID 17-1348 Budget Workshop

County Manager Steve Garrison and the Board discussed the Rutherford County recommended budget for Fiscal Year 2017-2018. The tax rate is proposed at 62 cents which would mean that the value of a penny at this tax rate is about \$562,000 after incentives are paid. The cost of the rollout of the pay and class study in the initial year is approximately \$200,000 and an additional cost of living would be \$90,000. The second and third years' cost would be approximately \$833,000.

Additional funds (\$70,000) were included for the Rutherford-Polk-McDowell District Health Department. The other two members of the district will also be providing equit funds.

Discussion followed regarding sale tax funds which are used for schools. It is hoped that another ¼ cent sales tax referendum will be made available to the County that will allow the ballot to state that the proceeds would be used for schools. Some legislation will allow a ½ cent sales tax referendum. Finance Director Paula Roach explained that debt is being paid off for schools built in earlier years does not provide adequate funds for constructing a school today due to the rise in the cost of construction.

The proposed budget showed funds for adoptions in the Animal Control Budget. These funds were not available in previous year. County Manager Steve Garrison explained that the Community Pet Center could retain these funds prior to this year.

Custodial services and options available to the County were discussed. Danny Searcy, Public Works and Planning Director, elaborated on the recommended amounts and the reasons behind these recommendations.

Finance Director Roach told the Board the ½ of the proposed tax increase was for incentives paid to Facebook. Of the \$4,600,000 received in property tax revenue from Facebook, \$4,300,000 was repaid in incentives.

Fund balance will be at 23% at the end of this fiscal year which mean there is approximately \$15,000,000 available for appropriation. Counties within Rutherford County's population group have between 28% and 32% available. Rutherford County's internal policy has historically been to always maintain at least 20%.

An adjusted fee structure was included in the proposed budget for Solid Waste. The Board had agreed at the April 3 meeting to contract with an outside firm to complete a solid waste fee structure study. The fee structure increase will cover the cost of operations in the 2017-2018 budget and will cover the cost of the study.

There will be remaining funds in the E911 budget which will be used to fund the new phone system. The uses for these 911 fund are so restrictive that some items in the new backup center are not eligible.

Chairman King said factors such as the increase in sales tax, the increase in the Ad Valorem Tax collection rate, the increase in the Occupancy Tax collections, and the increase in the sale and purchase of homes and business investments in Rutherford County, as well as, the increase in building permits for new homes and home improvements means the County will be at another place in two years when the revaluation will become effective. However, consideration should be given to whether the County will be at a place to set a new rate because of the new revaluation and the economic impacts of the improvements in sales tax collections.. He asked to see the options for the projections of that future budget. Board members agreed that it would be good to look at other funding possibilities.

III. Adjournment

At 5:35 P.M. Vice Chairman Toney made a motion to adjourn. Commissioner Holland seconded the motion. The vote on the motion was:

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Ayes: Commissioner King, Commissioner Toney, Commissioner Benfield,
Commissioner Holland and Commissioner Lovelace.

Noes: None

Absent: Commissioner Benfield

Chairman, Board of Commissioners

Vice Chairman, Board of Commissioners

ATTEST:

Clerk, Board of Commissioners