



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

**Rutherford County
Board of Commissioners
Minutes of May 5, 2025**

**Monday, May 5, 2025
6:00 PM**

I. Call to Order

Chairman King called the May 5, 2025 meeting of the Rutherford County Board of Commissioners to order.

Present: Chairman Bryan King, Vice Chairman Alan Toney, Commissioner Michael Benfield, Commissioner Hunter Haynes, and Commissioner Donnie Haulk.

A. Pledge of Allegiance

Rutherfordton Mayor Jimmy Dancy led in the Pledge of Allegiance.

B. Agenda Approval

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

Ayes: Commissioner King, Commissioner Toney, Commissioner Benfield, Commissioner Haynes, and Commissioner Haulk.

II. Public Hearings

A. ID-25-4137 Public Hearing – Project Newco

At 6:01 P.M. Chairman King opened the public hearing to listen to comments regarding the approval of an industrial development grant in support of a new manufacturing operation, code named Project Newco.

Economic Development Director Birgit Dilgert told the Board that approval is requested for an economic development project, pursuant to North Carolina General Statute 158-7.1 which represents two manufacturers who will come together to form a new company. The company proposes to create at least 125 new jobs and anticipates investing more than \$45,000,000 in the first five years. Should the

company choose to locate in Rutherford County, it is expected that the state will offer the company a Job Development Investment Grant which provides cash grants directly to a new company to help offset the cost of locating a facility in the state. If approved, Rutherford County will enter into an industrial development agreement with the new company. The industrial development grant would be equal to fifty percent (50%) of the net new real and personal property taxes paid for up to five (5) years. If jobs, investment, and wage levels are met and maintained, the grant will extend for an additional five (5) years. This grant is for the purpose of attracting new industry to the county, with the goal to create new jobs and increase the current tax base. A resolution was presented for the Board's consideration approving the project.

No one else wished to speak.

At 6:05 P.M. Chairman King declared the public hearing to be closed.

Vice Chairman Toney moved to approve the resolution presented. Commissioner Benfield seconded the motion. The vote on the motion was:

Ayes: Commissioner King, Commissioner Toney, Commissioner Benfield,
Commissioner Haynes, and Commissioner Haulk.
Noes: None

RESOLUTION TITLE: TO APPROVE THE USE OF A LOCAL INDUSTRIAL GRANT AS THE QUALIFYING 5% MATCH FOR UP TO A \$480,000 BUILDING REUSE GRANT IN SUPPORT OF PROJECT NEWCO, CONSIDERING A LOCATION IN RUTHERFORD COUNTY.

WHEREAS, N.C. Gen. Stat. §158-7.1 authorizes a county to undertake an economic development project by extending assistance to a company in order to cause the company to locate or expand operations within the county; and

WHEREAS, an industrial prospect, code named Newco, proposes to locate operations in Rutherford County that will result in the creation of at least one-hundred twenty-five (125) new full-time jobs and an investment of approximately \$45,100,000, increasing employment and business prospects within Rutherford County; and

WHEREAS, a portion of the proposed expenditures associated with this project, code named Newco, are eligible for reimbursement through the Building Reuse Program; and,

WHEREAS, the proposed investment by the company, code named Newco, will result in a net increase in property value and taxable property within Rutherford County; and,

WHEREAS, the Rutherford County Board of Commissioners, after providing the required public notice of at least ten (10) days before the hearing, has held a public hearing to consider whether to approve a local industrial grant as the match required for the Building Reuse grant application; and,

WHEREAS, in these difficult economic times, this investment in Rutherford County and its citizens is recognized and commended by the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED that the Rutherford County Board of Commissioners supports this industrial recruitment project, code named Newco, and commits to provide the required local match upon being awarded a \$480,000 Building Reuse grant.

BE IT FURTHER RESOLVED that the Rutherford County Board of Commissioners authorizes the Chairman or County Manager, working with the County Attorney and County staff, to draft, and negotiate an economic development agreement providing for local industrial grant equal to fifty percent (50%) of the net new ad valorem tax paid for eligible personal property and eligible building improvements, of which up to \$24,000 will be applied as the local qualifying match for a Building Reuse grant application, and for the Chairman or County Manager to execute all documents necessary in support of the grant whether awarded in whole or in part. If after five (5) years, certain job, investment, and wage thresholds are achieved, the grant may be extended an additional five (5) years.

Adopted this the 5th day of May, 2025.

RES 25-013

III. New Business - A

A. ID-25-4142 Partners Health Maintenance of Effort Funds Recommendation

Dr. Paul Holden, Regional Director of Community Operations for Partners Behavioral Health, requested that the following programs be funded from the \$137,200 in Maintenance of Effort (MOE) funds in the 2025-2026 approved budget.

Mental health and substance use services in the jail (Preferred Choice Healthcare)	\$48,200
System of Care-Local Community Collaborative	\$2,000
Housing reserves	\$5,000
Consumer reserves – (Mental Health/Substance Use).	\$1,000
(Intellectual Disability/Developmental Disability)	\$1,000
DSS Treatment and Placement Reserves	\$55,000
United Way – Grant writing assistance	\$25,000
Total Request	\$137,200

Vice Chairman Toney moved to approve the funding recommendations. Commissioner Benfield seconded the motion. The vote on the motion was:

Ayes: Commissioner King, Commissioner Toney, Commissioner Benfield, Commissioner Haynes, and Commissioner Haulk.

Noes: None

IV. Public Comments

Ms. Michelle Clement, currently the principal of Rutherfordton Elementary Scholl asked that the Board show thanks for teachers. She said educators do not ask for more than is needed, and County Commissioners have denied \$23,000,000 in funding for schools since 2011.

Mr. Junah Robertson, a 5th grader at Pinnacle Elementary told the board that his school has great teachers, and he requested that the Board completely fund the schools budget request.

Ms. Jennifer Robertson said students do excel and they deserve a fully funded education. The County has phenomenal students despite shortages.

Mr. Eric Gorney asked for tax relief for the County. Even though there have been many requests for the Board to spend County savings to cover the proposed spending gap, he believed more cuts are needed.

V. Consent Agenda

Commissioner Benfield moved to approve the Consent Agenda. Vice Chairman Toney seconded the motion. The vote on the motion was:

Ayes: Commissioner King, Commissioner Toney, Commissioner Benfield, Commissioner Haynes, and Commissioner Haulk.

Noes: None

Consent Agenda Items approved were:

- A. ID-25-4148 Minutes of April 7, 2025 County Commissioners' Meeting**
- B. ID-24-3847 Minutes of April 22, 2025 Special County Commissioners' Meeting**
- C. ID-25-4146 Tax Refunds and Releases**
 - Refund amount totaling \$2,071.69
 - Releases greater than \$100 totaling \$783.47
 - Releases less than \$100 totaling \$169.64
 - (A copy of these tax refunds and releases is typed in the Minute Book.)

VI. Commissioners/Appointments

A. ID-25-4144 Older American's Month Proclamation

Senior Center Director Tammy Aldridge told the Board that May is Older American's Month. A meeting in April 1963 between President John F. Kennedy and members of the National Council of Senior Citizens led to designating May as "Senior Citizens Month," the prelude to "Older Americans Month." The month is a time to celebrate the contributions seniors make to their communities. A proclamation declaring the month of May as Older American's Month in Rutherford County was presented for the Board's consideration.

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

Ayes: Commissioner King, Commissioner Toney, Commissioner Benfield, Commissioner Haynes, and Commissioner Haulk.

Noes: None

Older Americans Month 2025

Be it known that

WHEREAS, Older Americans Month is observed nationally as a time to recognize the contributions of Older Americans, highlight aging trends, and reaffirm our commitment to serving older adults; and

WHEREAS, the 2025 theme for Older Americans Month, "Flip the Script on Aging," focuses on transforming how society perceives, talks about, and approaches aging; and

WHEREAS, Rutherford County's growing population of older adults enriches our community with their strength, wisdom, and diverse life experiences, and the County of Rutherford is committed to honoring their contributions, exploring opportunities for them to stay active and engaged, and highlighting the opportunities for purpose, exploration, and connection that come with aging; and

WHEREAS, the County of Rutherford's Age-Friendly Programs in alignment with the 2025 Older Americans Month theme, are dedicated to empowering aging and educating and encouraging older adults to prepare and plan for the future while actively participating in the present; and

Now, therefore, We the Commissioners of Rutherford County do hereby proclaim The Month of May 2025 as Older Americans Month in Rutherford County.

Adopted this the 5th day of May, 2025.

PROC 25-004

B. ID-25-4138 EMS Week Proclamation

EMS Operations' Manager Kaleb Johnson presented the 2025 EMS Week Proclamation for the Board's consideration. Historically, the Board of Commissioners has declared a week in May each year as "Emergency Medical Services Week." EMS Week in 2025 is May 18-24.

Commissioner Benfield moved to approve the proclamation. Commissioner Haulk seconded the motion. The vote on the motion was:

Ayes: Commissioner King, Commissioner Toney, Commissioner Benfield,
Commissioner Haynes, and Commissioner Haulk.

Noes: None

EMS Week Proclamation

WHEREAS emergency medical services are a vital public service; and

WHEREAS the members of emergency medical services teams are ready to provide lifesaving care to those in need 24 hours a day, seven days a week; and

WHEREAS EMS providers put the needs of their communities above their own as they respond to cries, treat injuries, and save lives in the hours of one's greatest need.

WHEREAS access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury; and

WHEREAS emergency medical services have grown to fill a gap by providing important, out of hospital care, including preventative medicine and follow-up care; and

WHEREAS, the emergency medical services system consists of paramedics, emergency medical technicians, emergency physicians, emergency nurses, firefighters, educators, administrators, and others; and

WHEREAS, the members of emergency medical services teams, engage in thousands of hours of specialized training and continuing education to enhance their lifesaving skills; and

WHEREAS it is appropriate to recognize the value and the accomplishments of emergency medical services providers by designating Emergency Medical Services Week; now

THEREFORE, I Bryan A. King, Chairman of the Rutherford County Board of Commissioners, Rutherford County, North Carolina in recognition of this event do hereby proclaim the week of May 18-24, 2025, as

EMERGENCY MEDICAL SERVICES WEEK.

With the theme, *We Care. For Everyone*, I encourage the community to observe this week with appropriate programs, ceremonies, and activities.

Adopted this the 5th day of May, 2025.

PROC 25-005

C. ID-25-4140 Appointments to Rutherford County Boards and Commissions

A list of terms that will expire on June 30, 2025 on several Rutherford County boards/commissions was presented.

Commissioner Haynes moved to advertise the positions, accept applications, and make appointments at a future meeting. Commissioner Benfield seconded the motion. The vote on the motion was:

Ayes: Commissioner King, Commissioner Toney, Commissioner Benfield, Commissioner Haynes, and Commissioner Haulk.

Noes: None

VII. Old Business

A. ID-25-4145 State Cashflow Loans for Disaster Response Activities – Amendment to Loan Agreement Template

County Manager Steve Garrison told the Board that the General Assembly created the \$100 million cashflow loan program under the [Disaster Recovery Act of 2024](#), which was passed Dec. 11, 2024. Its goal is to help local governments whose communities were devastated by Hurricane Helene while they wait for federal money to arrive. At the April 7, 2025 meeting the Board approved a *Resolution to Approve North Carolina Cashflow Loan Agreement, Promissory Note, and Associated Agreements*. To address concerns counties raised about how to handle expedited funding under the loan agreement, the State Treasurer's Office worked with outside counsel to finalize a template amendment to the Cashflow Loan Agreement to account for the expedited funding from FEMA. A resolution approving the amendment to the loan agreement was presented. Manager Garrison recommended that the Board approve the resolution.

Commissioner Benfield moved to approve the resolution. Commissioner Haulk seconded the motion. The vote on the motion was:

Ayes: Commissioner King, Commissioner Toney, Commissioner Benfield, Commissioner Haynes, and Commissioner Haulk.

Noes: None

RESOLUTION TO APPROVE AMENDMENT TO LOAN AGREEMENT BETWEEN THE STATE OF NORTH CAROLINA (BY AND THROUGH THE NORTH CAROLINA DEPARTMENT OF STATE TREASURER) AND THE COUNTY OF RUTHERFORD, NORTH CAROLINA

WITNESSETH:

WHEREAS, the County of Rutherford, North Carolina previously approved and entered into a loan agreement ("Loan Agreement") and promissory note with the State of North Carolina, by and through the North Carolina Department of State Treasurer ("NCDST"), in connection with the Hurricane Helene Cash Flow Loan Program created by the North Carolina General Assembly under the Disaster Recovery Act of 2024 – Part II (Session Law 2024-53, as amended by Session Law 2024-57); and

WHEREAS, County has requested, and NCDST has agreed, to amend the Loan Agreement to permit County to receive FEMA Public Assistance Expedited Project Funding without triggering an obligation to repay the equivalent amount of loan proceeds to NCDST immediately following County's receipt of such funding ("Amendment to Loan Agreement").

NOW, THEREFORE, BE IT RESOLVED BY COUNTY OF RUTHERFORD, NORTH CAROLINA:

1. That the Amendment to Loan Agreement presented by the North Carolina Department of State Treasurer is hereby approved.
2. That the Chairman, Board of Commissioners, is authorized to execute the attached Amendment to Loan Agreement (or one substantially equivalent thereto) and to take such other actions as necessary to secure disaster recovery loan funding from the State of North Carolina.

Adopted this the 5th day of May, 2025.

RES 25-014

VIII. New Business - B

A. ID-25-4139 Audit Contract

Manager Garrison advised that Gould Killian CPA Group, PA has submitted a proposal to provide audit services for Rutherford County for year ending June 30, 2025. The base fee is \$79,000 which includes up to three major programs. Any additional major programs would be at \$5,000 each. An engagement letter for audit services for Rutherford County and an audit contract were presented for Commissioner consideration.

Commissioner Benfield moved to approve the contract with Gould Killian CPA Group, PA for the fiscal year ended June 30, 2025 and authorize county officials to execute all documents in support of this action. Vice Chairman Toney seconded the motion. The vote on the motion was:

Ayes: Commissioner King, Commissioner Toney, Commissioner Benfield,
Commissioner Haynes, and Commissioner Haulk.

Noes: None

B. ID-25-4136 Budget Presentation for 2025-2026

County Manager Steve Garrison presented the recommended Rutherford County 2025-2026 budget. He listed factors impacting the budget which included:

- Continued inflation
- Sales tax, property and vehicle tax collections uncertainty
- Above average unemployment rate and poverty rate
- Competitive/market wage considerations (retention/recruitment)
- Sizeable increase in State health insurance and retirement contributions
- Courthouse renovation, Sheriff's Office and Detention Center renovation, and Register of Deeds Office, Tax Office, Library, Board of Elections, and Veterans Office relocations
- Substantial capital facilities, property, equipment and vehicle needs

Economic Conditions – Uncertainty seems to be the prevailing sentiment when it comes to the 2025 and 2026 national, state, and local economies. The 12-month inflation for all items is currently at 2.8%. Also, growth in sales tax revenue continues to slow. Following years of pre-pandemic growth that ranged between 4 and 7% and multiple years of double-digit growth in the early 2020s, the County is now in the midst of the 5th year of year-over-year decline in the growth rate. Billions of dollars in Coronavirus Relief funds, American Rescue Plan Act funds, Community Development Block Grants, federal and state broadband funds, etc., have been poured into local and state economies for going on the 5th year and these funds are reaching a point of depletion as the State, local governments, education systems, non-profits and others complete the investment of these funds for various one-time projects. Also, many of the County's municipalities have increased their Ad Valorem tax rates to rates higher

than the County's tax rate. The County's tax rate reduced down 14.3 cents to 45.4 during the last revaluation and as the County uses the Ad Valorem Sales Tax distribution model (as opposed to the Per Capita Sales Tax distribution model), the shifting of the county and municipalities tax rates, as well as the fire departments having retained their fire district tax rates and not lowering their rates to a revenue neutral tax rate, caused a shift of several million dollars from the County's sales tax receipts to the municipalities and the fire districts. This loss was (and remains) detrimental to the County's ability to further support education, which the County relies heavily on Sales Tax allocation for this purpose.

Impact of Hurricane Helene – There are a lot of uncertainties as to the short-term and long-term impact of Hurricane Helene on the local economy including the Ad Valorem property taxes, Sales Taxes, Occupancy Taxes, unemployment rate, etc. The Tax Office is predicting there will be a loss of around \$36 mil in property values. So far, approximately 40 Rutherford County property owners have submitted applications to FEMA requesting the buying out of their properties, which means that if FEMA approves these applications, these properties will be deeded to the County to be maintained as perpetual green fields, and these properties will come off the tax books. The County also has in excess of \$44 mil of general fund's fund balance committed for financing debris removal (roadside and streams/rivers). Although these Hurricane Helene debris removal projects qualify for 100% reimbursement, there is no guarantee as to when the County can expect to be reimbursed by FEMA. In addition, the Tourism Development Authority is estimating a loss of 40% of their Occupancy Tax collections for FY2025-2026.

Wage wars – Staff continues to come and go from multiple departments to other local government entities as the local governments continue approving mid-year wage increases to compete. The County is also losing employees to the private sector. There is a 4% COLA increase in the current FY budget, but the County is already falling behind many of the local government systems and private sector companies. The two biggest factors/challenges impacting the Sheriff's Office, EMS, DSS and other offices/departments, which this is true nationwide, is retainment of existing staff and recruitment of new staff to fill open positions. As the County moves forward on the development of the FY2025-2026 budget, the budget needs to be developed with a strategy that will have a large impact on retention by moving employees from a living wage to a thriving wage.

Capital Facility Plan – Each year, funding is included in the budget to address a large number of capital facility needs but many are then deprioritized as they simply will not fit within limited financial capacity. After successive budget cycles of doing this, many of the identified priority 1 & 2 capital facility projects are now starting to accumulate and need to be addressed. The County is fortunate in securing legislative State Appropriations and ARPA funds, which is aiding attempts to address this backlog of capital outlay needs. However, there are many capital outlay needs to address and it is predictable that some of these will need to be addressed in the FY2025-2026 budget proposal. Currently, the County owns close to 20 buildings/facilities that are over 40 years old with at least three that are at or over 100 years old including the historic County courthouse.

Medicaid Expansion – This will be a recurring expense, which will drive up the cost of operating/managing DSS. Also, there are a large increase in the number of children in DSS custody and the reduction of available certified foster homes in the County, which drives up operations cost significantly as the cost to house children outside of the County is much higher than the cost if the foster placements are within the County.

The County departments and offices are managed with approximately 475 budgeted full-time employees, 195 part-time and 53 temporaries for a total of approximately 723 staff budgeted on County payroll. The County is the second largest employer in the County. Planning & Public Works and the Solid Waste Department manage almost 500,000 square feet of building and facility space representing in excess of 70 buildings and facilities and over 800 acres of property. The Solid Waste and Airport properties alone exceed 600 acres of managed property. It is also important to note that all of the County facilities, equipment, vehicles, technology and staff creates an exceedingly heavy burden for Planning/Public Works, garage, Solid Waste, IT, Finance, HR and other staff who provide support services.

County government strives to improve the quality of life of Rutherford County citizens while being good stewards of their tax dollars. County services and funding is supported by Ad Valorem property taxes, sales taxes, state funds, federal funds, grants and department specific fee-based revenues.

Each of the County departments and offices that fall under the County government umbrella are impacted by decisions made regarding annual budget appropriations. Equally impacted are the community partners the budget supports such as the Rutherford County School System, the public Charter Schools, Isothermal Community College, the Foothills Health District, the Economic Development Association, court and judicial services, Isothermal Planning Development Commission, the Tourism Development Authority, multiple non-profit organizations and most importantly, Rutherford County citizens, who expect and deserve quality service delivery from their County government. The monumental task facing the Commissioners is how to ensure exceptional service delivery is delivered across all County departments while continuing to support the operations and capital needs of community partners, all within a very restrictive and conservative budget.

It is important to note that Rutherford County Government does not have sovereignty from the government of the State of North Carolina. The County is an arm of the State government and held to certain stringent statutory requirements to provide services and programs as the State dictates. In the ten plus years that the current Board of Commissioners have been serving the County, there has been minimal growth in staff and services apart from the additional staff added to EMS to permit this department to move from 24-hour shifts to 12-hour shifts. The recent acquisition and planned renovation of the old BI-LO building was necessary primarily due to expansion within the judicial system. In the past few years, the State has added a fourth Judge to the court district, a new Public Defenders Office and has added additional court and Probation & Parole staff. The County is mandated to provide housing at no cost to the State for the District Attorney's Office, Judges, Clerk of Superior Court, court support staff, Public Defenders Office, Probation & Parole, Juvenile Justice and Guardian Ad Litem, which places a large burden on County taxpayers to cover this expense for these State operations.

Whether State mandated or not, most of the services and programs offered and managed by the County serve as safety nets for senior citizens, children, individuals with physical and mental health needs and disabilities, individuals and families struggling with substance use disorders, veterans, farmers, and individuals and families struggling financially. The Commissioners continue to hear from citizens that they desire to see the County prioritize funding for education and law enforcement. While education and public safety matter, it is critical to remember that education and public safety partners are not the only ones in the room.

The total amount of funds requested from the County departments and offices, school system, community college and other community partners came in at \$107,237,287, which left an initial gap of revenues needed to cover the requested additional expenditures of approximately \$13 million. When the value of the Economic Development incentive agreement amounts that is paid out each year is backed out, the value of one penny of the tax rate is currently \$1,026,602. To accommodate this increase to the budget would require the addition of approximately 24¢ to the tax rate, which would increase the current tax rate of 45.4 to 69.4 cents per each \$100 of appraised values.

As of July 1st of 2025, the County will have debt service outstanding of \$31,488,485. The County represents 21.33% of the total debt service outstanding, ICC represents 8.53%, the Rutherford County School System represents 86.87% and a water/sewer project the county funded in 2006, 2007 and 2010 represents 1.29%. This budget message recommends \$10,749,933 as debt service set aside for FY2025-2026. Going into the new budget year, approximately 95.4% of capital outlay total debt service outstanding will be tied to education.

For FY2025-2026, the presented budget recommends a total of \$4,963,017 to Isothermal Community College with \$3,263,017 going to operations and \$1,700,000 to capital outlay. Including debt service for college capital outlay, the total county financial support to ICC in FY2025-2026 will be \$5,422,427. This reflects a 7.81% increase in operations and a 33.17% increase overall.

For FY2025-2026, the budget recommends an appropriation of \$25,767,592 to the Rutherford County School System with \$20,307,265 going to general operations, \$2,020,000 for teacher supplements, \$1,619,017 to fully fund School Resource Officers, and \$1,821,310 to general capital outlay.

Including debt service for school capital, the total county appropriation supporting the Rutherford County School System during FY2025-2026 is recommended at \$34,487,549. The total county appropriations to supplement education capital outlay over and above the Sales Tax and Lottery fund distributions is recommended at \$1,542,760. This is a 37.87% increase over current year's appropriation for operations and a 40.28% increase overall.

The County does not have current salary and supplement pay information from the School System; however, we are aware that some higher-level staff positions within the School System are earning annual supplements that range from \$3,000 a year and up to \$27,000 a year. Not to diminish the critical role that ALL school system employees play as key members of the school system, but the most critical, life changing, and life impacting employees of the school system are teachers, yet they are only being offered an annual supplement of approximately \$1,000 a year. Setting aside a line item in the County appropriations to raise teacher supplements up to approximately \$5,000 a year is long overdue, and this will call for greater accountability to ensure that these set aside funds are used for that purpose. It is also recognized that the recruitment and retention of teachers is critical.

This budget proposal also recommends assigning a separate line-item appropriation of local county funds to cover the cost of SROs. In August of 2022, former Sheriff Francis and School Board Chairman Morrow requested that the Commissioners increase the number of full-time equivalent positions assigned to the Sheriff's Office, which falls within the purview of the County Commissioners, to ensure that all Rutherford County schools had an assigned School Resource Officer. This request did not come with a request for additional funding. The Commissioners unanimously approved the request, and the School System moved forward with contracting additional SRO support for their schools for

FY2022-2023. Over the summer of 2023, there were several retirements and resignations of SROs, and the school system made the decision not to fill these vacancies. This budget proposal assigns a separate line-item for local county appropriations for SROs to ensure that SROs are, once again, assigned to every school. The Sheriff did include a request in his budget request this year to direct fund five SROs in his budget, recognizing that school safety is a priority for him as well as for Commissioner Haynes. It is up to the School System, not the County Commissioners nor the Sheriff, as to how they secure their schools whether this be in the form of new technologies, enhanced facility features to secure their campuses, security resources, and more.

The community has said loud and clear that they would like to see greater financial support of public education and public safety. How do we ensure that we have sufficient fiscal capacity to do that? To be clear, the utilization of general fund fund balance is not an option. Maintaining a healthy fund balance level ensures that the County avoids LGC warnings, ensures that the County maintains a high percentage of fund balance available for appropriation, ensures that the County maintains a good credit rating, ensures that the County has adequate funds to cover our indebtedness, helps the County to maintain an effective tax rate, ensures that the County has the ability to pay obligations in a timely manner, and more. The factors that would trigger a LGC warning include fund balance available trending down significantly, fund balance being used to cover ongoing/recurring expenses, and/or an over-appropriation of fund balance.

Rutherford County's current tax rate is 45.4 cents per every \$100 of value. To support general County government operations while also increasing financial support of public education and public safety, the recommendation is that the current tax rate be adjusted to 56.9 cents, which is an 11.5 cent increase. For long-term and recurring fiscal support of education, public safety and general County operations, this is what it will take to accomplish that. This still leaves a lot of departmental funding requests unfunded, which would have required that the tax rate be adjusted to 69.4 to fully fund everything requested.

In this proposed FY2025-2026 budget, public safety currently makes up approximately 27.5% of the budget, education increases to 30.79% and Human Services makes up about 20%. The Human Services percentage is a bit misleading, however, as approximately 63.39% of the tax dollars used to support Human Services is reimbursed through State, Federal and grant sources leaving approximately 36.61% to be covered by County dollars.

The County continues to cover the gap in funds available for capital facility debt service for education. If the portion of County funds used to supplement the school construction debt service is added in, approximately \$1,631,725, education makes up approximately 35.51% of the appropriated county funds.

School System representatives have publicly stated that the County has underfunded them by \$23 mil since FYE2011. The fact is that EVERY County department, office and community partner has not been funded at the level they requested in any given prior budget year. Since FY ending 2017, the County has received annual budget appropriation requests of approximately \$780 million, and we have appropriated approximately \$632 million, which left a gap of approximately \$148 million of requests that were not funded. The County has continually attempted to operate within our limited fiscal capacity.

To meet the legislative requirement to present a balanced budget for the Solid Waste enterprise fund, the following are recommended:

- RA fee would go from \$13 a year to \$43 a year. HOWEVER, if it is a priority for the Commissioners that convenience center re-open on Wednesdays, this fee would need to be \$45 or \$46 per year (depending on whether or not we include an annual COLA in this year's budget).
- SWW fee would go from \$160 a year to \$190 a year.
- SWH fee would go from \$70 a year to \$95 a year.
- MSW tipping fee would increase from \$76 a ton to \$80 a ton.
- C&D tipping fee would increase from \$66 a ton to \$70 a ton.
- Brush tipping fee would remain the same at \$45 a ton.

Key takeaways from the proposed budget are that the County continue to:

- Address continued inflation, operations & management cost increases, and supply chain issues.
- Ensure quality service delivery for citizens.
- Increase financial support for education and public safety via a recommended tax adjustment to 56.9 cents to ensure ongoing, sustainable fiscal support.
- Focus on staff recruitment and retention This budget proposes a 4% cost of living adjustment. This translates to an 8% increase in the wage rate for most County employees in two budget cycles if approved. A 4% COLA will ensure that all positions are at or above market and will offer time to further evaluate this during the upcoming fiscal year. It is critical that the wages of employees be adjusted commensurate with the cost-of-living increases and to remain competitive in the regional job market. Because so many County positions require various certifications, credentials and training to perform their tasks, it is important that the County receive the best return.

Vice Chairman Toney made a motion to approve June 2, 2025 as the date for a public hearing on the Fiscal Year 2025-2026 budget; approve May 13 and May 27 as dates for budget workshops; and June 5 as the date for budget adoption. Commissioner Haynes seconded the motion. The vote on the motion was:

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

Noes: None

X. Adjournment

Vice Chairman Toney made a motion to adjourn. Commissioner Benfield seconded the motion. The vote on the motion was:

Ayes: Commissioner King, Commissioner Toney, Commissioner Benfield, Commissioner Haynes and Commissioner Haulk.

Noes: None

Chairman, Board of Commissioners

Vice Chairman, Board of Commissioners

ATTEST:

Clerk, Board of Commissioners