

Greg Edds, Chairman
Jim Greene, Vice- Chairman
Mike Caskey
Judy Klusman
Craig Pierce



Aaron Church, County Manager
Carolyn Barger, Clerk to the Board
John W. Dees, II, County Attorney

Rowan County Board of Commissioners

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MINUTES OF THE BUDGET WORK SESSION OF THE ROWAN COUNTY BOARD OF COMMISSIONERS June 1, 2020 – 1:00 PM

**PLEASE NOTE: DUE TO THE CORONAVIRUS PANDEMIC
THE MEETING WAS HELD BY REMOTE PARTICIPATION FOR THE BOARD OF
COMMISSIONERS, STAFF AND THE PUBLIC**

Commissioners Participating:

Greg Edds, Chairman
Jim Greene, Vice-Chairman
Judy Klusman, Member
Craig Pierce, Member

Absent: Mike Caskey, Member

Also participating were County Manager Aaron Church, Clerk to the Board Carolyn Barger, County Attorney Jay Dees and Assistant County Manager/Finance Director Leslie Heidrick.

Chairman Edds convened the meeting at 1:12 p.m.

Chaplain Michael Taylor provided the Invocation.

Chairman Edds led the Pledge of Allegiance.

CONSIDER APPROVAL OF THE AGENDA

Commissioner Klusman moved, Commissioner Pierce seconded and the vote to approve the agenda passed unanimously.

1. DISCUSSION REGARDING FY 2020-21 PROPOSED BUDGET

County Manager Aaron Church provided a power point, which contained the following highlights for the for the proposed FY 2020-21 budget.

- Balanced and prepared in accordance with the Local Government Budget and Fiscal Control Act
- Tight and Conservative

FY 2021 BUDGET

• FUND 101	General Fund	\$153,521,214
• FUND 201	Fire District Fund	\$6,608,824
<i>NO TAX INCREASE RECOMMENDED</i>		
• FUND 202	Emergency Telephone	\$547,782
• FUND 501	Risk Management Fund	\$1,392,800
• FUND 601	Landfill Fund	\$9,612,166
• FUND 603	Airport Fund	\$4,581,965
• FUND 605	Water Fund	\$136,000
TOTAL		\$176,400,751

• FY 2020 Budget	\$159,883,238
• FY 2021 Requested	\$215,839,302
• FY 2021 Recommended	\$153,521,214
• FY 2021 Reduction	\$6,362,024

FY 2021 REVENUE

• Property Tax Base	\$13,760,000,000
• Increase over last year	3.38%
• Collection Rate DECREASE by	-1.25%
• Recommended Tax Rate	65.75 Cents
• Sales Tax	-\$2,500,000 or -9.5%

Sales tax for first 6 months of FY 2020 was 6.6% above budget and pro-rated to \$28,040,000.

For FY 2021, the sales tax budget represents a 20% reduction for six months of the year and a 10% reduction for the remaining six months from this amount, or a 9.5% reduction from the FY 2020 original budget.

FY 2021 REVENUE

Adopted Budget Fund Balance Appropriation	
FY 2020 Adopt	\$11,530,657
10 Year Average	\$8,995,529
FY 2021 Recommended	\$6,770,590
Reduction from FY 2020	\$4,760,067

Mr. Church said a board member had asked to include an appropriation for Crime Stoppers in amount of \$1500 which was not included in the budget.

Chairman Edds discussed the history and issues behind the County's attempts to have providers offer broadband in the rural areas of the County. Chairman Edds said based on

the knowledge gained from the efforts, a wireless solution would be best to address the dead spots in the County.

Chairman Edds continued by explaining there were grant dollars provided to help counties in the broadband effort; however, the money was rolled out in three (3) tiers. The focus was currently on Tier One and Rowan was a Tier Two county. Funding for Tier Two counties was originally supposed to open up July 1, 2020 but the County had recently learned another round of funding would take place for Tier One counties and thus delaying the progress for Tier Two counties.

According to Chairman Edds, the question became whether to wait on something the County had no timeframe as to when it would begin, or should the County begin to help its citizens. Chairman Edds said in talking with some of the wireless broadband companies, the County found out those companies were busy serving the Tier One counties because that was where the dollars were.

Chairman Edds said the County had asked the companies what they could do to help if the County were to offer them an incentive to not wait until the broadband funds came in. Chairman Edds said there was an indication if the County would incentivize the companies they might move ahead. Chairman Edds asked the Board to provide a \$50,000 fund to be determined. Chairman Edds said Assistant County Manager/Chief Information Officer Randy Cress and the Broadband Task Force would put out a Request for Information (RFI) to determine the type of technology Rowan County was looking for. The incentive would be matching funds and it appeared the target area would be the Scotch Irish community. There were also towers in the area that were available for wireless broadband to work with. Chairman Edds said the Broadband Task Force would submit its recommendations to the Board.

Ultimately the County could wait for the grant funding or the County could move ahead. Chairman Edds said there were questions as to whether the County could be reimbursed once the grant funding became available for Tier Two counties. Chairman Edds noted that other counties were having success with broadband wireless and he would like for the Commissioners to put a \$50,000 placeholder in the budget for the project. Commissioner Pierce wanted to make sure the County would get reimbursed since the providers would be doing the work for profit. Commissioner Pierce said he could not support the request if the County would not get reimbursed.

Chairman Edds noted the service would not only serve the public but also fire stations, EMS, etc. and would be valuable to the County.

Commissioner Klusman asked if there had been any discussion with the State as to whether the County would be reimbursed if the County moved forward. Chairman Edds said no and it had been learned that once the grant became available, it was unknown if the County would qualify for the funding because it was competitive. Chairman Edds expressed hope the County's efforts to invest would demonstrate to the State the value

the County placed in infrastructure for rural internet. Chairman Edds said the County has been clearly told the investment would help the County when applying for future grants.

Commissioner Greene mentioned the COVID-19 funds and discussed the importance of broadband to students who were learning from home and through online classes. Commissioner Greene said when talking about 911, the issue of broadband overlapped into many areas.

In response to Commissioner Greene, Mr. Church said the County could definitely pose its questions to the State regarding reimbursement. Chairman Edds asked Mr. Church to plan on asking the questions.

Chairman Edds asked if a motion was needed to put the \$50,000 as a placeholder in the budget and Mr. Church said not necessarily because the budget was voted on in total. Mr. Church said if the Board was agreeable to put the money in the budget, staff could add the placeholder and the Board could adopt the budget with the suggested amendments. Mr. Church said there was \$70,000 in a contingency line item and as long as the changes are not over \$70,000, the Board would not have to change the Fund Balance appropriation. Mr. Church said the Board could reallocate the \$50,000 from Contingency to a new line item for broadband and the \$1500 for Crime Stoppers. Mr. Church said just because the funds were added to the budget, the Board would still have to go through the procurement process.

Commissioner Pierce asked if the Board would still have time to get answers from the State regarding reimbursement and Mr. Church said yes. Mr. Church said the project could be budgeted and the Board would still have to vote as to how the funds were spent (contracts, etc.).

2. ADJOURNMENT

There being no further business to come before the Board, Commissioner Pierce moved to adjourn at 1:50 p.m. The motion was seconded by Commissioner Klusman and passed unanimously.

Respectfully Submitted,



Carolyn Barger, MMC, NCMCC
Clerk to the Board