

Continued Meeting – June 10, 2022

The Graham County Board of Commissioners met Friday, June 10, 2022, at 9:00 a.m. for a continued meeting in the Graham County Community Building located at 196 Knight Street Robbinsville, NC. All board was present. Also, present Finance Director Becky Garland and Clerk Kim Crisp. Present by teleconference Manager Jason Marino.

1. Chair Orr called the meeting to order.
2. Chair Orr asks for changes to the agenda. No changes. Chair Orr asks for approval of the agenda. Commissioner Eller made the motion to approve as stated. Commissioner Cody seconded this motion. Vote unanimous.
3. Chair Orr asks for a motion to go into closed session under G.S.143-318.11(a)(1)(6) for privileged or confidential information and personnel. Commissioner Eller made the motion as stated. Commissioner Cody seconded this motion. Vote unanimous.
4. Chair Orr asks for a motion to go back into open session. Commissioner Nelms made the motion as stated. Commissioner Cody seconded this motion. Vote unanimous.
5. Chair Orr asks for a motion to approve a "Resolution in opposition to parking fees for the Great Smoky Mountains National Park". Commissioner Wiggins made the motion to adopt the resolution as stated. Commissioner Eller seconded this motion. Vote unanimous.
6. Chair Orr asks Director Garland to proceed with the budget discussions. Director Garland stated that the total budget for proposal at this time is \$21,351,479.00 which is an increase of \$25,767.00 over the 2021-2022 budget.
7. Director Garland stated that our mil rate will remain at the \$.65 per one hundred and \$103,000.00 represents one penny on the mil. Director Garland stated that our tax base reflects a loss of approximately \$5.3 million in value due to PUV's, conservation easements, Tribal properties, and Government property. Director Garland presented other losses of revenue which are:
 - a. 17.7% increase in health insurance costs
 - b. Double digit 50-60% increase in fuel costs
 - c. Solid Waste fees estimated to increase 47%
 - d. Retirement rates increase 9% over 2021-2022
 - e. Overall inflation decimates spending power of departments for critical supplies
 - f. Increases in total costs forced hard examination of budgets to reduce expenditures where feasible while maintaining ability of departments to continue to provide services to the citizens
 - g. Recognize projected sales tax revenue gains of 3.5% as projected by the NC League of Municipalities
 - h. Started process with a \$2.1 million deficit; after deep analysis and cuts described below had to appropriate fund balance in the amount of approximately \$385,000 = 3.7 cents on the mil
8. Director Garland stated that the cuts proposed are:
 - a. Only capital outlay that was approved by BOCC during 2021-2022 year for which delivery has not occurred by the end of the budget year
 - b. Cut major repairs to buildings to emergency spending only
 - c. Cut IT capital outlay by 50% to fund only critical IT infrastructure needs to maintain network integrity
 - d. Two ambulances budgeted to ensure fleet integrity and recognize supply chain shortages and lead times more than twelve months to be dept financed if necessary
 - e. NO COLA – wage freezes
9. Director Garland stated that the major budget priorities are:
 - a. Recognition of negative impacts of inflation to our taxpayers, but also to our employees who earn less than \$29,120.00 per year
 - b. Recognize need to provide positive recreation opportunities for our youth by prioritizing repairs to the community pool and add to the recreation contingency fund
 - c. Recognize financial difficulties presented by unfunded mandates to the school system and provide additional funding to schools of \$263,000.00 for total funding of \$1,263,000.00 which represents the projections provided by the School Finance Officer of 7.5% cumulative increase since the County increased the allocation from \$570,000.00 to \$1,000,000.00 several years ago.
 - d. Recommend that the above 7.5% increase per year be achieved in future years as a good faith effort to help the school system meet the unfunded needs and to help build their fund balance over time

10. Director Garland gave her recommendations, and they are:
 - a. Set a fund balance policy that the unrestricted fund balance be reduced no less than 35% of general fund expenditures; 2020-2021 fund balance represented 47% of total general fund expenditures
 - b. Look at the model of sanitation and formulate a plan to reduce total costs by making changes to the model as studied several years ago; review those plans to make recommendations during the coming year
 - c. Continue to seek grants where possible to fund major projects
 - d. Mid-year budget review of operations for changes in the economic indicators and inflation

Chair Orr asks that a copy be given to her to take home to study. Director Garland stated that all the information was in the notebooks.

11. Director Garland gave a brief budget review and stated that the tax rate will remain at the current rate; amended the Sheriff and Jail budgets to the new PayScale; amended the 911 pay scale and explained any increases.
12. Director Garland stated that she would need a public hearing to be set for Tuesday, June 21, 2022, and she presented the budget to Clerk Crisp today to be laid out for public review. Commissioner Eller made the motion to lay out the 2022-2023 Budget as presented by Finance Director Becky Garland. Commissioner Wiggins seconded this motion. Vote unanimous.
13. Commissioner Wiggins made the motion to continue this meeting to Tuesday, June 14, 2022, at 6:30 p.m. Commissioner Cody seconded this motion. Vote unanimous.

Connie Orr, Chairman

Keith Eller, Vice-Chairman

Lynn Cody, Member

Jacob Nelms, Member

Dale Wiggins, Member

ATTEST: _____
Kim Crisp, Clerk to the Board