

ADOPTED

JUN 26 2018

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Gaston County Board
of Commissioners

GASTON COUNTY

COMMISSIONER'S COURT

NORTH CAROLINA

JUNE 12, 2018

The Gaston County Board of Commissioners (BOC) met in Special Session on June 12, 2018 at 6:33 pm in The Harley B. Gaston, Jr. Public Forum, Gaston County Courthouse.

Chairman Chad Brown presided with Commissioners Allen R. Fraley, Don Grant, Bob Hovis, and Ronnie Worley. **Commissioner Tom Keigher, Vice-Chairman, joined the meeting via telephone at 6:46 p.m.*

Commissioner Tracy L. Philbeck was not in attendance.

Others present included Earl Mathers, County Manager; Charles L. Moore, County Attorney; and Donna S. Buff, Clerk to the Board.

Upon request of Chairman Brown, Commissioner Hovis led those assembled in the Invocation and Commissioner Worley led in the Pledge of Allegiance during the preceding Work Session.

Public Hearing – FY2018-2019 Gaston County Proposed Budget

Chairman Brown announced the Public Hearing as advertised; explained procedures to be used; called for the motion to enter into Public Hearing.

On motion introduced by Commissioner Grant and seconded by Commissioner Worley, the BOC unanimously entered into Public Hearing.

Chairman Brown introduced the County Manager for comments.

Mr. Earl Mathers, County Manager, thanked the budget office and County staff for their hard work and the countless hours that went into assembling this budget; he presented as follows:

- Gaston County is experiencing significant growth which presents a challenging environment; County has added 16,000 addresses since the 2010 Census; anticipate that number will grow considerably in the 2020 Census, which is already in the early stages; is important that the data is captured as accurately as possible because each of the individuals counted in the Census represents about \$1,634/YR in federal revenue that Gaston County will receive.
- Will continue to experience fiscal stress in FY19 which should begin to diminish in FY20 after the revaluation (reval); have gone to special lengths to balance the budget, which was also accomplished through the employee vacancy rate and with the use of fund balance. The County typically spends considerably less than what is budgeted, nonetheless, the fund balance position has eroded and needs to be restored in future years.
- School funding challenges: have increased school funding significantly over the last several years (17.6% in the last 3 years); however, the Schools' needs continue to significantly outstrip the County's ability to address them.
- FY19 budget provides an additional \$500k for teacher supplements, \$640k for elementary school SROs and some additional debt service (depending on the amount of bonds that are issued in this coming year).

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- School funding in the current year is about \$71M in aggregate; would like to increase in the future.
- Budget growth has been constrained especially in light of the population increases and the rate of inflation; the only areas that have grown significantly in recent years are school funding and public safety.
- During the development of the budget, \$30M was cut from the requests; the cuts were not frivolous but it was determined they could possibly be delayed for a certain period of time.
- Have identified ways to make a few strategic investments in the coming year which include the acquisition of the new industrial property at Apple Creek, the County jail infill project, and the replacement of the outdated public safety radio system. Those represent new debt and the process has been structured to limit the FY19 payments to interest only and to forgo principal payments until FY2020 so as not to push the County over the financial precipice.

Chairman Brown pointed out that the Board was provided with several handouts assembled by management; he called for citizen comment and hearing none, called for questions from the BOC.

Commissioner Hovis referenced discussions held during the May 22, 2018 Joint meeting with the Schools and noted the FY19 Budget only allows for the release of \$40M in new school bonds; would like to discuss a more aggressive release in light of the overwhelming voter support of the bond referendum. He also recalled the Board's disapproval of the Sheriff's Office home release/ankle bracelet program in December and noted the slow progress of the jail infill project; overcrowding is still a critical issue; would like to discuss this further with the Board.

Commissioner Keigher joined the meeting via telephone at 6:46 p.m.

Commissioner Grant referenced the line item budget and requested clarification on several items including:

- Divorce filing fees at the battered spouse shelter (\$20K)
- Dues & Subscriptions (\$400K) – requested breakdown
- Professional Services (\$6.2M) – requested breakdown
- Janitorial Services (\$1M) – inquired if employees are providing these services
- Lawn Maintenance and Building and Grounds – inquired if employees taking care of grounds are not also taking care of lawn maintenance.
- Software Rental (\$1.3M) – seems high; inquired if it would be cheaper to buy some of the software.

Mr. Mathers stated employees are doing some degree of turf maintenance; the Parks and Recreation Department staff is much smaller in comparison with others that provide the service in house; is necessary to contract out for many services; could choose to do janitorial and other services in house, but the direction of the Board in the past has been to establish private/public partnerships or to contract out to the private sector for certain services to the extent practical; have made an effort to do that in general; can provide a breakdown of the professional services by individual contract or department.

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Commissioner Grant stated Gaston County is the fifth highest taxed County in the State; noticed a lot of the numbers carry over from previous years; would like to take a closer look at those.

Mr. Mathers responded that considering the rate of inflation, a flat line-item in successive years is generally a good thing. He noted that during the past three years, every line item has been examined carefully through Priority Based Budgeting (PBB), to determine areas that could be discontinued.

Regarding the *Software Rental* line item, Mr. Mathers stated that it is standard practice and typical for any entity to have significant contracts for the maintenance of software programs; Gaston County has many database systems in service and has very substantial contracts which require ongoing maintenance fees.

Regarding the *Divorce Filing Fees* line item, Ms. Angela Karchmer, Division of Social Services Director, stated this line item is a grant that is received from the Governors Crime Commission (GCC); funds are not used to pay for divorce filing fees – that is just how the fees come into the agency; funds are used to support education, training, and other soft skills services for the those using the domestic violence program; if the grant funds are not received, the money is not spent.

Commissioner Grant stated the line item budget shows it as expenditure and not as revenue; asked why the taxpayers are paying for divorce filing fees.

Ms. Karchmer reiterated the funds are not used to pay for filing fees and it is a grant that comes from the GCC.

Commissioner Grant stated the Governor gets those funds from taxpayers.

Chairman Brown invited Sheriff Cloninger to the podium for additional comments on GCC funding.

Sheriff Cloninger stated the GCC receives basically all funding from the Federal Government. These are pass-through grants from three major funding areas: VAWA (Violence Against Women), VOCA (Victims of Crime Administrators), JAG (Edward Byrne Memorial Justice Assistance Program Grant). He noted that he chairs the Criminal Justice Improvement Committee that administers JAG. There are some State funds that are administered by GCC, but the vast majority of the money is passed down from the Federal Government and the Governor makes the final determination on the grants that are issued throughout the state.

Chairman Brown cited other federal pass through funds and Commissioner Grant pointed out that those revenues ultimately come from taxpayers.

Commissioner Worley referenced the Fee Schedule and noted the following:

- Animal Care and Enforcement County License for unaltered dogs/cats: suggested that responsible pet owners should be given a 3-year fee option for unaltered dog/cats, similar to the option provided for pet owners with altered dogs/cats.

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- GEMS DOA Transport Fee - Proposed Increase of \$195: suggested that if a crew is already onsite, they should go ahead and transport the deceased individual as opposed to waiting on a transport; the \$375 fee seems excessive and will ultimately be passed on to the family; funeral home transport is less than \$200.

Chairman Brown requested that Mr. Mark Lamphiear, EMS Chief, approach the podium.

Mr. Lamphiear stated the service is not in the GEMS business model; the current fee is inexpensive, and as a result, GEMS is often used to provide body transport services which ties up units longer; the fee increase was proposed as an attempt to incur less of that type of business. He confirmed that the unit stays with the deceased until a medical examiner/transporter arrives.

Commissioner Worley responded that waiting for a transport places an undue stress on the family; since the crew is already on the scene, why not go ahead and transfer the deceased individual on to the medical examiner or funeral home?

Mr. Mathers stated that Mr. Lamphiear's proposed adjustments to the GEMS Fee Schedule is an effort to improve the financial efficiency of his department; however, it would not be monumental to remove that particular fee increase.

Mr. Lamphiear concurred but also cautioned that removal of the other proposed increases would burden taxpayers by effectively subsidizing third-party payers.

Chief Joseph Ramey, Gaston County Police Department, referred to Commissioner Worley's earlier question regarding pet licensing fees and noted the differential licensing program is an effective program which was established by the Commissioners and the Animal Control Task Force several years ago to incentivize pet owners to have their dogs/cats spayed/neutered.

Commissioner Worley stated that responsible pet owners are paying the license yearly; they should be given the option to buy a 3-year license, even at the higher cost.

Chief Ramey had no objection to extending the 3-year option at the higher rate for non-altered dogs/cats.

Commissioner Hovis stated it has been the policy of the Board that certain fees should offset costs so they are not supported with tax dollars and departments have effectively implemented this model; if the Board wishes to change its directive, it should do so for the next budget year.

Mr. Mathers responded to Commissioner Grant's earlier request for clarification on budget line items:

- Professional Services: approximately 110 contractors are used for a variety of professional services and the list can be provided.
- Dues and Subscriptions: the bulk of the larger dues include Charlotte Regional Partnership (CRP), National Association of County Commissioners (NACo), North Carolina Association of County Commissioners (NCACC), Centralia Council of Governments (CCOG), and the UNC School of Government.

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Commissioner Grant stated he would like to know if there any are duplications.

Commissioner Keigher (via telephone) stated that the questions regarding the various line items may have some validity but they are fairly minor in the larger scheme; many months of work have gone into this budget; recommend adoption and suggest that future direction or policy changes should be considered via resolution.

Chairman Brown called for a motion to close the Public Hearing.

On motion introduced by Commissioner Hovis, and seconded by Commissioner Worley, the BOC unanimously closed the Public Hearing.

To Consider Adoption of the FY2018-2019 Fee Schedule

2018-146 Commissioner Brown - Budget/Purchasing - To Adopt a Fee Schedule Effective July 1, 2018 through June 30, 2019

Commissioner Hovis introduced the motion to approve the FY2018-2019 Fee Schedule as presented and Commissioner Fraley provided the second for the purposes of discussion.

Chairman Brown called for discussion.

Commissioner Hovis (movant) introduced an amendment to remove the increase for the GEMS DOA Transport Fee and hold the fee flat at \$180.

Commissioner Fraley (seconder) accepted the amendment.

Commissioner Worley also requested an administrative change to the Animal Care and Enforcement (ACE) County License Fee for unaltered dogs/cats to add a 3-year licensing period at \$35/per year (administrative change only – no change in the annual fee amount) and the Board approved the administrative change upon unanimous consent.

Hearing no further discussion, Chairman Brown called for the vote to adopt the FY2018-2019 Fee Schedule, as amended, and the BOC unanimously approved **2018-146**.

To Consider Adoption of the FY2019 Gaston County Budget

2018-147 Commissioner Brown – Adoption of the FY2018-2019 Gaston County Budget Ordinance

Commissioner Fraley introduced the motion to approve the FY2018-2019 Gaston County Budget Ordinance as presented and Commissioner Hovis provided the second for the purposes of discussion.

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Chairman Brown called for discussion.

Commissioner Worley offered an amendment to increase the FY19 issuance of 2018 School Bond funds from \$40M to \$60M (\$40M for Belmont Middle School and \$20M for other needs throughout the system).

Commissioner Hovis stated that in past years, the County has adopted a revenue-neutral tax rate during a revaluation (reval) year; should be cognizant of the taxpayers.

Mr. Mathers agreed that the County should move toward a revenue-neutral approach after the reval; however, he recalled this did not occur during the last reval and the County lost ground; County is experiencing considerable growth coupled with deferred maintenance issues, growing debt service etc. He noted that later in FY19, he will present an incremental approach to adjusting the tax rate downward while at the same time restoring the full financial integrity of Gaston County; the approach will rebuild reserves, which are badly depleted, and accomplish some of the deferred capital maintenance issues; it should also provide for a means to do more in terms of school funding. He concluded that the FY19 impact of increasing the bond issuance to \$60M would be approximately \$1M but that is workable; however, the impact in subsequent years will go up significantly because it will require principal as well as interest payments.

Commissioner Fraley stated it was his understanding that revenue-neutral is a requirement and not an option; believe the Board is leaning toward this; do not want to collect more taxes than the cost to provide the services; will support the \$60M bond issuance if it doesn't put an undue financial strain on the County.

The County Attorney stated we are required to identify the adjustment necessary to achieve revenue neutral but there is no requirement to adopt the rate.

Commissioner Hovis requested clarification on the payout timeline of the \$60M release.

Mr. Matthew Rhoten, Budget Director, stated if the County went to the market in November, there should be a payment due in the spring (interest only) and full principal and interest payments in subsequent years.

Commissioner Hovis stated it would give the one-quarter (1/4) cent revenue stream to be in effect.

Mr. Rhoten noted the County will not receive revenue from the ¼ cent until January; should receive approximately \$3M (half) of the expected revenue next year.

Commissioner Hovis stated that even if the project is greenlighted, it will be February or March before it is actually underway; first payment due in July (90 days out); will begin collecting the sales tax revenue before the first payment is due; should be able to handle the debt service without endangering the County's financial position.

Chairman Brown offered an amendment to add an additional \$100k to the Schools' funding to support a new magnet program at Stanley Middle School.

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With the movant and seconder accepting both amendments, Chairman Brown called for the vote to adopt the FY2019 Gaston County Budget Ordinance, as amended, and **2018-147** carried as follows and as set forth herewith:

AYES: Commissioners Brown, Fraley, Hovis, Keigher and Worley
 NAYS: Commissioner Grant
 ABSENT: Commissioner Philbeck

**BUDGET ORDINANCE
 FISCAL YEAR 2018-2019
 GASTON COUNTY, NORTH CAROLINA**

BE IT ORDAINED by the Board of Commissioners of Gaston County, North Carolina:

SECTION I. BUDGET ADOPTION 2018-2019. There is hereby adopted a budget for the County of Gaston for the fiscal year beginning July 1, 2018 and ending June 30, 2019, a summary of which (by fund and function) is included as Exhibits I and II herein on pages 5-6. The budget is hereby adopted by fund on a functional basis, except as provided for in Section VII. The County Manager is directed to finalize the line-item detailed budget, at which time that document shall be incorporated herein as if fully set out verbatim and referred to hereinafter as the "2018-2019 Gaston County Budget."

SECTION II. TAX RATE LEVY 2018-2019. There is hereby levied for fiscal year 2018-2019 a tax rate of 87.00 cents per \$100.00 of assessed valuation.

SECTION III. PERIODIC FINANCIAL REPORTS. A report comparing budgeted and actual revenues and expenses by object account shall be presented in ten copies, when requested, to the County Finance Officer for each agency or department funded by the County where accounting is not done by the County. The report shall be monthly, unless special circumstances exist in which case the report may be quarterly.

The County Manager shall be notified of any changes in the budget presented to the Board of Commissioners within thirty days of the change by any agency having statutory authority to change its line items. Approved payments may be delayed pending receipt of timely financial information.

SECTION IV. SALARIES. The FY 2018-2019 Gaston County Budget fully funds longevity. There are funds allocated for a three percent (3%) Cost of Living Adjustment (COLA).

SECTION V. BUDGET OFFICER AND FINANCE OFFICER. In accordance with the Local Government Budget and Fiscal Control Act, the County Manager has prepared a budget which contains a General Fund, a Health Fund, a Public Assistance Fund, Travel & Tourism Fund, a Property Revaluation Fund (funded by transferring current year property tax revenues from the General Fund), an Emergency Telephone System Fund, a Fire District Fund, a Debt Service Fund, a School Debt Service Fund, a Capital Improvements Fund, a Solid Waste Enterprise Fund, and a Self-Insurance Fund. Further, the County Manager is designated as the Budget Officer of the County and the Finance Director is designated as Finance Officer.

As provided by G. S. 159-25 (b), the Board is authorized to require only two signatures on each check or draft that is made on County funds. The signature of the County Manager and the Finance Officer shall be the authorized signatures of the County. The Assistant County Manager shall have signatory authority in the absence of the County Manager and the Finance Officer shall designate signatory authority to a responsible individual on his staff in his absence.

SECTION VI. BUDGET POLICY. It will be the policy of this Board that it will not absorb any reduction in State and Federal Funds. Reducing personnel or program expenditures to stay within the County appropriations is hereby authorized on the basis outlined in the following paragraphs of this section.

This policy is extended to any agency or department that is funded by the County and receives State or Federal money and shall remain in effect until otherwise changed or amended by the Board of Commissioners. The County Manager is hereby directed to indicate this policy to each agency, which may be affected.

If programs which include State, Federal, and/or any other outside revenues, as well as local funding, are subsequently reduced or cut by the outside funding organization, that portion funded by County revenues will be reduced to maintain its original ratio of local expenditures to State, Federal, or other expenditures. For example, of a \$100,000 grant, local funding is \$50,000 and Federal/State funding is \$50,000. Should the State/Federal grant be reduced by \$25,000, then local funds will be reduced by

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\$25,000, unless other outside revenues are secured to fully offset the grant reduction. Under no circumstances shall reductions in grants be paid by County dollars, regardless of the source of the funding.

Those recipients of County funds which have a balance at the end of the fiscal year must return those funds to Gaston County, except as otherwise approved by the Board of Commissioners.

SECTION VII. TRANSFERS OF FUNDS BETWEEN OBJECT ACCOUNTS. Line item changes are authorized only with the approval of the Board of Commissioners as required by law, except as provided below. The Budget Officer is authorized to transfer monies from one line item appropriation to another within the same fund and department in accordance with provisions of G.S. 159-15 (except for the Public Assistance Fund, Health Fund, and Solid Waste Fund which will each be considered one department). In compliance with Resolution 2003-321, upon making such transfers, the Manager shall accumulate them to be forwarded to the Clerk to the Board on or before the agenda deadline for the next regular scheduled Board of Commissioners meeting so that said transfers may be placed in the agenda and recorded in the minutes of said meeting. Budget Change Requests included in the agenda are for information purposes and will not be discussed by the Board at the meeting unless a Budget Change Request pertains to a resolution that is on the Board's agenda for that meeting. Nothing in this resolution in any way affects the County Manager's authority to make budget transfers by the amount provided in the Budget Ordinance.

The Budget Officer is authorized to make transfers between departments for certain nondiscretionary accounts for which budget requests are calculated centrally rather than by the department director – specifically, gasoline/diesel fuel; rent equipment; rent of data processing equipment; repairs and maintenance: Buildings; repairs and maintenance: Equipment; vehicle maintenance; telephone and mobile telephone; communications equipment maintenance; heat, lights, and water; janitorial and lawn maintenance services; software rental and licensing fees; lease-purchased vehicles and equipment; motor vehicles; and the central purchases and usage accounts for vehicle parts, tires, gasoline and diesel fuel, central supplies, and postage; and salaries and benefits. The Budget Officer shall also have the authorization to make transfers between accounts for funds appropriated in the Self Insurance Fund. The Budget Officer may make transfers between capital projects within existing funds.

SECTION VIII. OBLIGATIONS FROM THE PRIOR YEAR. As provided by G.S. 159-13 (b), any funds of a capital or operating nature for which bids have been received or contracts executed in previous fiscal years are hereby re-appropriated. All unpaid encumbrances, ongoing projects that are assigned a project number, capital improvement projects, and any other items which have been approved by the Board of Commissioners, such as grants, are hereby re-appropriated and are to be added to this approved budget.

SECTION IX. SCHOOL BUDGET. Current Expense - The Gaston County Board of Commissioners approves an allocation of \$48,351,704 for the Gaston County Board of Education. In addition, the Board approves \$1,890,007 for School Resource Officers assigned to schools, as well as \$65,000 for the Commissioners' School of Excellence.

Capital/Debt Service Funds - The Gaston County Board of Commissioners appropriates \$22,942,394 for the school system's FY 2018-2019 capital and debt service needs, to be allocated as follows: \$1,227,000 for capital needs and \$21,715,394 for debt service.

In addition, the Gaston County Schools are hereby directed to present monthly financial reports to the Board, as outlined in Section III above. Failure to do so could result in funds being withheld until the requested information is provided.

SECTION X. GASTON COLLEGE BUDGET. In accordance with North Carolina General Statute 115D, Gaston County shall provide, based upon the appropriations herein, funds to Gaston College as needed to meet Current Fund and Capital Fund expenditures. The FY 2018-2019 appropriation for Gaston College totals \$9,138,369 to be allocated as follows: \$5,352,237 for current operating expenses; \$697,219 for capital expenses; and \$3,088,913 for debt service expenditures.

Reserves for future capital projects shall remain with Gaston County to the credit of Gaston College until requested for payment of duly appropriated obligations. Payment of all capital expenditures shall be made upon presentation of the appropriate invoices to Gaston County.

In addition, Gaston College is hereby directed to present monthly financial reports to the Board, as outlined in Section III above. Failure to do so could result in funds being withheld until the requested information is provided.

SECTION XI. APPROVAL OF DEPARTMENTAL BUDGETS. The Board of County Commissioners does hereby approve the amended budget of each department by the County Manager or as amended by this Board on pages 5-6 herein and as more fully detailed in the document to be finalized per Section I above.

SECTION XII. CAPITAL IMPROVEMENT FUND. Capital Improvement project information will be provided at a later date through an amendment to this budget ordinance. Accordingly, upon Board approval of the amendment, the Finance Director is authorized to make the proper entries to the County's accounting records as of June 30, 2018 to cause the net balance of the appropriate projects to revert to the Capital Improvement Fund's fund balance.

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SECTION XIII. FIRE DISTRICTS. The Board of Commissioners by separate resolutions adopted tax rates for fire districts in the County. The amount to be distributed to each fire district in FY 2018-2019 is limited to the tax levy based on the approved tax rate. Monthly distributions to the fire districts will be 8.33% of the approved budget beginning in July through November. In December the amount given to the fire districts will be reviewed and reconciled to the amount collected. January through June the fire districts will be distributed the amount collected up to the total approved budget. Should distributions in the second half of the fiscal year exceed the collected amount, distributions will discontinue until the distribution and collected amount is equal.

For all fire districts, any tax receipts collected in excess of the budgeted tax levy shall be retained by the County in an account earmarked for each fire district and will be used as carry forward funds in subsequent years to reduce the districts' budget requests. Interest shall accrue on funds retained for each fire district in an amount proportional to all other funds of the County. Additional appropriations to any fire district must be approved by separate resolution of the Board.

SECTION XV. DESIGNATION OF INSURANCE RESERVES AND AUTHORIZATION FOR EXPENDITURES. The Board of Commissioners approves the designation of unspent funds, from "Insurance" line items (530024) and account 010-01-4199-0000-530025 "Insurance Deductible" into fund balance titled "Designated for Insurance Reserves".

Adopted this the 12th day of June 2018, to become effective on July 1, 2018.

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Exhibit I

GASTON COUNTY, NORTH CAROLINA
BUDGET ORDINANCE
REVENUES
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

SOURCES of FUNDS

SOURCES of FUNDS	GENERAL FUND	HEALTH FUND	PUBLIC ASSIST. FUND	TRAVEL & TOURISM FUND	PROPERTY REVAL. FUND	EMERGENCY TELEPHONE FUND	FIRE DISTRICT FUND	COURTHOUSE PARKING FUND	DEBT SERVICE FUND	SCHOOL DEBT SERVICE FUND	CAPITAL IMPVMNTS. FUND	SOLID WASTE FUND	BUILDING INSPECTIONS FUND	SELF INSURANCE FUND	TOTAL
AD VALOREM TAXES	\$ 146,079,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,820,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,899,752
SALES TAX	\$ 30,820,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255,000	\$ 2,200,000	\$ 3,795,000	\$ -	\$ -	\$ -	\$ 37,070,000
OTHER TAXES	\$ 1,173,424	\$ -	\$ -	\$ 942,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ 2,415,494
FEES, LICENSES, & PERMITS	\$ 15,267,528	\$ 4,915,025	\$ 134,750	\$ -	\$ -	\$ 760,574	\$ -	\$ 58,537	\$ -	\$ -	\$ -	\$ 7,005,166	\$ 1,844,937	\$ -	\$ 29,986,517
SALES, SERVICES, & FEES	\$ 3,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,211,088	\$ -	\$ -	\$ 2,214,751
INVESTMENT INTEREST	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,000
MISCELLANEOUS REVENUE	\$ 938,409	\$ 500,390	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,439,799
HEALTH INSURANCE REVENUE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,682,091	\$ 21,682,091
STATE, FEDERAL, & GRANT REVENUE	\$ 4,165,823	\$ 3,266,543	\$ 24,264,674	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,081,315	\$ -	\$ 15,000	\$ -	\$ -	\$ 34,793,355
TRANSFERS FROM OTHER FUNDS	\$ 1,608,000	\$ 8,530,073	\$ 18,068,357	\$ -	\$ 210,000	\$ -	\$ -	\$ -	\$ 4,947,406	\$ 16,434,079	\$ 2,074,219	\$ -	\$ -	\$ -	\$ 51,872,134
FUND BALANCE APPROPRIATION	\$ 17,769,385	\$ 1,454,687	\$ -	\$ -	\$ -	\$ 83,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,608,000	\$ 20,915,544
	\$ 218,575,732	\$ 18,666,718	\$ 42,468,781	\$ 942,070	\$ 210,000	\$ 844,046	\$ 4,820,252	\$ 58,537	\$ 5,202,406	\$ 21,715,394	\$ 5,869,219	\$ 9,531,254	\$ 1,844,937	\$ 23,290,091	\$ 354,039,437
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RECONCILIATION OF GROSS TO NET BUDGET:

GROSS BUDGET	\$ 354,039,437
LESS INTERFUND TRANSFERS	\$(51,872,134)
NET BUDGET	\$ 302,167,303

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Exhibit II

**GASTON COUNTY, NORTH CAROLINA
BUDGET ORDINANCE
APPROPRIATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2019**

APPROPRIATIONS:

Function	General Fund	Health Fund	Public Assistance Fund	Travel & Tourism Fund	Property Reval. Fund	Emerg. Telephone Fund	Fire District Fund	Courthouse Parking Fund	Debt Service Fund	School Debt Service	Capital Impvmts. Fund	Solid Waste Fund	Building Inspections Fund	Self Insurance Fund	TOTAL
General Government	\$ 34,702,711	\$ -	\$ -	\$ -	\$ 210,000	\$ -	\$ -	\$ 58,537	\$ 150,000	\$ -	\$ 2,950,000	\$ -	\$ -	\$ 21,682,091	\$ 59,753,339
Public Safety	\$ 66,865,531	\$ -	\$ -	\$ -	\$ -	\$ 844,046	\$ 4,820,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,844,937	\$ -	\$ 74,374,766
Education	\$ 55,658,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 1,924,219	\$ -	\$ -	\$ -	\$ 57,733,167
Cultural & Recreational	\$ 6,026,483	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 6,176,483
Human Services	\$ 2,391,540	\$ 18,666,718	\$ 42,468,781	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,527,039
Economic & Physical Development	\$ 2,666,385	\$ -	\$ -	\$ 942,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 845,000	\$ -	\$ -	\$ -	\$ 4,453,455
Enterprise	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,531,254	\$ -	\$ -	\$ 9,531,254
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,052,406	\$ 21,565,394	\$ -	\$ -	\$ -	\$ -	\$ 26,617,800
Transfers to Other Funds	\$ 50,264,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,608,000	\$ 51,872,134
	\$ 218,575,732	\$ 18,666,718	\$ 42,468,781	\$ 942,070	\$ 210,000	\$ 844,046	\$ 4,820,252	\$ 58,537	\$ 5,202,406	\$ 21,715,394	\$ 5,869,219	\$ 9,531,254	\$ 1,844,937	\$ 23,290,091	\$ 354,039,437
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

RECONCILIATION OF GROSS TO NET BUDGET:

Gross Budget	\$	354,039,437
Less Interfund Transfers	\$	(51,872,134)
NET BUDGET	\$	302,167,303
		=====

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GASTON COUNTY, NORTH CAROLINA

2018-148 Commissioner Fraley - Authorization for Tax Collection - To Adopt and Enter into the Minutes an Order Directing the Tax Collector to Collect the Taxes Charged in the Tax Records and Receipts, and a Copy of the Order to be Delivered to the Tax Collector, Pursuant to N.C.G.S.105-321(b)

Commissioner Hovis introduced a motion for the purposes of discussion and Commissioner Fraley provided the second.

Chairman Brown called for discussion.

Commissioner Hovis referred to the handout and noted that Crowder's Mountain Volunteer Fire and Rescue should be shown as the operating entity for the Chapel Grove and South Gastonia fire districts.

Chairman Brown noted there were five increases requested for FY19; asked Mr. Eric Hendrix, Gaston County Fire Marshal, to approach the podium.

Mr. Hendrix noted his spreadsheet notates the Chapel Grove and South Gastonia Fire Districts in red, which are provided fire service by Crowders Mountain Volunteer Fire and Rescue. In response to Chairman Brown, he noted that Crowder's Mountain is not asking for an increase.

Commissioner Worley requested clarification on the Community Fire Department's proposed rate increase of 2 cents to add an additional firefighter; asked how many are currently staffed on a part-time basis.

Mr. Hendrix deferred to Assistant Chief Bryon Hooker, Community Fire Department.

Asst. Chief Hooker stated one full-time member works 8-4 pm; this was implemented several years ago to make up for the shortage of volunteers that is being experienced not only in Gaston County but across the country.

Commissioner Worley commented that most fire departments with day-time staff usually have two people.

Asst. Chief Hooker stated one person works 8-4 Monday-Friday and it is supplemented on Friday night with someone from 2-10; have started another shift on Saturday.

Commissioner Worley requested clarification on the New Hope Volunteer Fire Department's proposed increase of 1.2 cents to fund staffing to provide 24 hours/7 days per week coverage; request appears to be a shift from a volunteer fire department to a full-time department; asked how many other volunteer fire departments have full-time staff.

Mr. Hendrix stated there is no other department at this time; Alexis Fire Department has weekend coverage as opposed to just Monday-Friday; he deferred to Chief Matt Young, New Hope Fire Department.

Chief Young recapped the earlier comments regarding the declining state of fire service volunteerism. He noted that in 2005, New Hope was the first Gaston County VFD to add a day-

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time staff member; all but 3-4 departments in the County now utilize a paid day-time staff member. A minimal increase was requested three years ago to add Saturday and Sunday coverage as well as Friday and Saturday night coverage. The additional staffing is being requested to guarantee services are administered at night-time; New Hope was one of fifty departments across the State to be awarded a recruitment and retention grant through the NC Volunteer Fire Council in conjunction with the NC Fire Chief's Association; trying to stay ahead of the curve and look for ways to improve engagement.

Mr. Hendrix stated this is not a unique problem; is an issue across the nation; workforce is now more mobile versus local, which impacts emergency response from volunteers; day-time is the most difficult hours for volunteers.

Chairman Brown asked for clarification on the Crouse Volunteer Fire Department's proposed increase to fund two part-time positions.

Mr. Hendrix deferred to Mr. Dan Beal, Crouse VFD firefighter and Secretary, stated that Crouse is made up of all volunteers and is experiencing the same problems with volunteerism; request is for the addition of two staff during the day-time to get trucks on scene; have a couple regular volunteers, but one is in his sixties.

Referring to the difficulty of attracting volunteers, Commissioner Keigher suggested this appears to be a Band-Aid approach; may need to look at possibly contracting with municipalities in the long run.

Commissioner Worley requested clarification on the proposed increase for Tryonota/Chestnut Ridge of 1.1 cents for maintenance on vehicles and a paid fire chief to handle administrative duties.

Mr. Hendrix stated Chief Mark Wright with Tryonota Fire Department is not present. He noted there are a couple departments that use paid positions with no paid chief; Dallas and Cramerton, although municipal, are probably the closest example of a volunteer department that utilizes a paid fire chief; the request is to relieve some of the tremendous time requirements of administrative duties.

In response to Commissioner Worley, Chief Young of New Hope Fire Department stated his rate is \$15k per year.

Commissioner Grant asked how many volunteer fire departments are in Gaston County and how many have paid fire chiefs.

Mr. Hendrix stated there are three paid fire chiefs; 26 departments provide service for the County which includes Waco, Crouse and Kings Mountain. The County deals with about seventeen VFDs (budget wise).

Commissioner Grant asked what prevents paid volunteer staff from going to a municipality because of better pay; has anyone looked down-range at a County-wide paid fire service.

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Mr. Hendrix stated it has been discussed by the Fire Advisory Board for several years; need more study on the cost/benefits. Most of the paid VFD chiefs already work for a municipality full-time and work for a VFD during their off-schedule as a paid member (typically at a rate of \$10-\$12/hour).

In response to Commissioner Grant, Mr. Hendrix stated annexation laws will affect how aggressively municipalities can spread; however, if a portion of a volunteer fire department district is annexed, it will definitely impact revenue; is trying to put together a summit or vision meeting in mid to late fall of all of the fire chiefs so this can be discussed further.

Commissioner Grant thanked all the volunteer fireman, rescue workers and first responders.

Hearing no further discussion, Chairman Brown called for the vote and the BOC unanimously approved **2018-148** as follows:

WHEREAS, under N.C.G.S. 105-321 (b), the North Carolina Machinery Act, it is required that the Board of County Commissioners authorize the Tax Collector to collect the taxes charged in the tax records and receipts.

NOW, THEREFORE, BE IT RESOLVED that the following order be entered into the minutes of the Board of County Commissioners and a copy be delivered to James D. Tanner, Tax Collector of Gaston County.

You are hereby authorized, empowered, and commanded to collect the taxes set forth in the tax records filed with the Office of the Tax Collector and in the tax receipts herewith delivered to you, in the amounts and from the taxpayers likewise therein set forth. Such taxes are hereby declared to be a first lien upon all real property of the respective taxpayers in the County of Gaston, and this order shall be a full and sufficient authority to direct, require, and enable you to levy on and sell any real or personal property of such taxpayers, for an on account thereof, in accordance with law.

Witness my hand and official seal, this 12th day of June, 2018.

2018-149 Commissioner Grant - Approve Order to Levy and Collect Ad Valorem Tax for Gaston County Fire Service District

On motion introduced by Commissioner Hovis and seconded by Commissioner Grant, the BOC unanimously approved 2018-149 as follows:

WHEREAS, the Gaston County Board of Commissioners created eighteen fire service districts Pursuant to citizen requests, under Part I, Article 16 of Chapter 153A of the North Carolina General Statutes; and,

WHEREAS, the Board of Commissioners is authorized by the same law to levy and collect a tax in said districts; and,

WHEREAS, based on the total valuation per district and the total budget submitted by each volunteer fire department contracting to provide fire protection, districts should be levied at the rates listed below per \$100.00 valuation of taxable property.

NOW, THEREFORE, BE IT RESOLVED by the Gaston County Board of Commissioners that the tax for each fire service district for FY 2018-2019 is levied at the following rate per \$100.00 of assessed and taxable property:

<u>Districts</u>	<u>Levy</u>	<u>Tax Rate</u>
Agriculture Center	\$358,056	7.3¢
Alexis	\$250,757	9.5¢
Chapel Grove	\$336,103	10.5¢
Chestnut Ridge	\$80,131	9.5¢
Community	\$409,942	12¢
Crouse	\$84,648	8.6¢

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East Gaston	\$378,393	8.4¢
High Shoals	\$160,741	10.3¢
Hugh's Pond	\$101,364	11¢
Lowell	\$15,154	7.4¢
Lucia Riverbend	\$336,839	11.4¢
New Hope	\$454,195	10¢
Ranlo	\$222,749	8.4¢
South Point	\$263,546	4¢
Spencer Mountain Road	\$255,198	8¢
Tryonota	\$240,283	9.5¢
Union Road	\$378,033	7.7¢
Waco	\$27,273	9.5¢

BE IT FURTHER RESOLVED that funds distributed to each District shall not exceed the actual tax receipts collected during the fiscal year.

2018-150 Commissioner Grant - Approve Order to Levy and Collect Ad Valorem Tax for Long Shoals Fire Protection District

On motion introduced by Commissioner Worley and seconded by Commissioner Hovis, the BOC unanimously approved 2018-150 as follows:

WHEREAS, a majority of the qualified voters in the Long Shoals Fire Protection district has voted in favor of levying and collecting a tax in said district; and,

WHEREAS, the Gaston County Board of Commissioners is authorized and directed by North Carolina General Statute 69-25.4 to levy and collect a tax in said district; and,

WHEREAS, the Board of Commissioners finds, based on the total valuation of taxable property in the Long Shoals Fire Protection District, an estimated collection rate, and the total budget submitted for the Long Shoals Fire Protection District, that the tax rate for the Long Shoals Protection District should be levied at \$0.103 (10.3¢) per \$100 valuation of the assessed and taxable property for an estimated levy of \$42,269.

NOW, THEREFORE, BE IT RESOLVED by the Gaston County Board of Commissioners that the tax for the Long Shoals Fire Protection District for FY 2018-2019 is levied at the rate of \$0.103 per \$100.00 of assessed and taxable property.

BE IT FURTHER RESOLVED that funds distributed to the District shall not exceed the actual tax receipts collected during the fiscal year. Any revenue collected in excess of the total of the approved FY 2018-2019 budgeted levy cannot be spent that tax year. Instead, any excess monies shall be earmarked or placed in special escrow accounts for the District to be used the following year in reducing the District's request.

BE IT FURTHER RESOLVED that the Gaston County Tax Collector is directed to compute the district tax for each taxpayer, to state separately on the County tax receipts and district for the fiscal year, and to collect the District tax in the same manner that County taxes are collected.

BE IT FURTHER RESOLVED by the Board of Commissioners that payment of taxes collected is hereby authorized to the District with said payment to be made from an account assigned to the District.

2018-151 Commissioner Grant - Approve Order to Levy and Collect Ad Valorem Tax for South Gastonia Fire Protection District

On motion introduced by Commissioner Hovis and seconded by Commissioner Grant, the BOC unanimously approved **2018-151** as follows:

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WHEREAS, a majority of the qualified voters in the South Gastonia Fire Protection District has voted in favor of levying and collecting a tax in said district; and,

WHEREAS, the Gaston County Board of Commissioners is authorized and directed by North Carolina General Statute 69-25.4 to levy and collect a tax in said district; and,

WHEREAS, the Board of Commissioners finds, based on the total valuation of taxable property in the South Gastonia Fire Protection District, an estimated collection rate, and the total budget submitted for the South Gastonia Fire Protection District, that the tax rate for the South Gastonia Fire Protection District should be levied at \$0.105 (10.5¢) per \$100 valuation of the assessed and taxable property for an estimated levy of \$424,578.

NOW, THEREFORE, BE IT RESOLVED by the Gaston County Board of Commissioners that the tax for the South Gastonia Fire Protection District for FY 2018-2019 is levied at the rate of \$0.105 per \$100.00 of assessed and taxable property.

BE IT FURTHER RESOLVED that funds distributed to the District shall not exceed the actual tax receipts collected during the fiscal year. Any revenue collected in excess of the total of the approved FY 2018-2019 budgeted levy cannot be spent that tax year. Instead, any excess monies shall be earmarked or placed in special escrow accounts for the District to be used the following year in reducing the District's request.

BE IT FURTHER RESOLVED that the Gaston County Tax Collector is directed to compute the district tax for each taxpayer, to state separately on the County tax receipts and district for the fiscal year, and to collect the District tax in the same manner that County taxes are collected.

BE IT FURTHER RESOLVED by the Board of Commissioners that payment of taxes collected is hereby authorized to the District with said payment to be made from an account assigned to the District.

Adjournment

Chairman Brown called for a motion to adjourn the Special Meeting.

On motion introduced by Commissioner Worley and seconded by Commissioner Grant, the BOC unanimously adjourned the Special Meeting of June 12, 2018 at 7:52 pm.

(All aforementioned documents are on file with the Clerk to the Board.)

Chad Brown, Chairman
Gaston County Board of Commissioners

Donna S. Buff
Clerk to the Board

SEAL