

**MACON COUNTY BOARD OF COMMISSIONERS
CONTINUED SESSION
FEBRUARY 3, 2022
MINUTES**

Chairman Tate reconvened the meeting at 1:00 p.m. in the commission boardroom as recessed from the January 11, 2022 regular meeting, and welcomed those in attendance. All Board Members, County Manager Derek Roland, Finance Director Lori Carpenter, Deputy Clerk Mike Decker, members of the news media, county employees and interested citizens were present. County Attorney Eric Ridenour was absent.

Chairman Tate announced that the primary purpose of the meeting was for a budget work session that would include review of the current fiscal year and preparation for the upcoming fiscal year.

FINANCIAL REVIEW:

Capital Improvement Plan (CIP) Update – Mr. Roland stated that the county’s financial advisors were asked to put together some scenarios for the board’s consideration regarding moving forward with the improvements to Franklin High School (FHS). Mr. Ted Cole with Davenport gave a review of Macon County’s financial position, including credit ratings, general fund balance, revenue growth, debt ratios, etc. His report indicated that Macon County is in an excellent financial position and he provided two scenarios for consideration for the FHS project: (1) receive a \$50 million needs-based grant available through the state, and further assume it will be awarded. This would require an increase of four cents on the tax rate to generate the additional revenue needed between Fiscal Year 2026 and Fiscal Year 2027 and beyond. An alternative would be a one-time two-cent tax increase in Fiscal Year 2024, based on the projected increased revenue generated from the property revaluation that will occur in 2023; (2) assume the \$50 million needs based grant is not received, then an additional tax increase of 8.5 cents would be needed in Fiscal Year 2026 or, if starting earlier, an increase of 5.5 cents beginning in Fiscal Year 2024. Members were reminded that this is just a starting point and adjustments in projects can be made as we move forward. A copy of Mr. Cole’s presentation is on file in the Deputy Clerk’s office.

Mid-Year Financial Review - Finance Director Lori Carpenter provided an update on revenues, including sales tax, tax collection and the general fund. She stated that all revenues have increased over the last fiscal year to this point in the year. Ms. Carpenter told the board that general fund expenses are also on target and that we are financially ahead and doing well. A copy of her presentation is attached [\[Attachment 1\]](#).

FY 22-23' BUDGET HIGHLIGHTS:

Broadband Update – Economic Development Director Tommy Jenkins provided an update on funding opportunities for broadband expansion in the upcoming year, including the GREAT (Growing Rural Economies with Access to Technology) grant which will open January 31, 2022, followed by a CAB (Completing Access to Broadband) grant, a Broadband Stop Gap Solutions Program and the Broadband Make Ready Accelerator Program. Mr. Jenkins stated that once the application information is released for each of these, the county's broadband committee would pursue any funding opportunities for which we are eligible. A copy of his presentation is attached [\[Attachment 2\]](#). Mr. Jenkins asked Jeff Lee of Little T Broadband Services to share an update on current projects. Mr. Lee stated the South Macon expansion project in partnership with Balsam West has begun and most of the work on 441 South is completed and will be finished once some additional easements are secured for placing equipment. He indicated this project will give service to the Otto Community Center and Fire Department, Scaly Mountain Community Center and the Scaly Mountain/Sky Valley Volunteer Fire Department. Mr. Lee stated the National Telecommunications and Information Administration (NTIA) application awards would be announced soon, but had been placed on hold due to the number of applications received. He shared that Charter Communications was awarded the Rural Digital Opportunity Fund (RDOF) through the Federal Communications Commission (FCC), which has tied up expansion in other areas of the county. Mr. Lee stated Charter currently has services in Haywood County and is expanding east to west across the region from there. He shared that the Student Connect grant received this past summer provided \$20,000 to build public hot spots in the South Macon area and those have been placed in the Otto Community Center, Scaly Mountain Community Center, and the Scaly Mountain/Sky Valley VFD. A copy of Mr. Lee's presentation is also attached [\[Attachment 3\]](#).

FHS Project Architectural Update – Paul Boney with LS3P provided the board with an update on the first phase of the FHS project, consisting of a study that is being completed on the existing campus as well as a new building on that campus. He stated the third part of the project is a new stadium and work on that is being done separately. Mr. Boney asked Amy

Doughty to provide a more detailed update. Ms. Doughty stated they are doing a physical assessment of every building on the campus, looking at the structure and compliance with modern codes for life safety, energy efficiency, accessibility, etc. She said they are also looking at what is needed to provide a modern educational program to 1,200 students. Ms. Doughty indicated the data obtained would be used to bring forward recommendations for renovations, additions, repairs, etc., as compared to building a new building. She said options and recommendations will be brought back to the board for review and consideration. Mr. Boney shared plans to hold some community meetings on the project in the future. He also shared that application for the \$50 million grant has been submitted and annual applications would be submitted as long as funding is available.

Fiscal Year 2022-23 Education Budget – Dr. Chris Baldwin, the Superintendent of Macon County Schools, provided an update on the current year budget, noting that the state budget was finalized about six weeks ago and he and his staff are still trying to figure out what has been funded for this year. He stated he does not anticipate any significant change in needs for next year and that some of the needs requested this year had been met by using American Rescue Plan (ARP) funds instead of county funds, including some the art and music positions, seven mental health professionals and three school nurses. He reminded the board these are temporary positions and the funds have to be spent by December 2024, so on-going funding will be needed to keep those positions. Dr. Baldwin stated there is a need for some increases this year based on the state budget and that capital requests for next year will include some renovations and pre-K space at Highlands School. Commissioner Shields asked Dr. Baldwin to give an update on the geothermal well issues at Iotla Elementary. Dr. Baldwin shared that work had been started to correct the infrastructure issues inside the building, but that 800 gallons of water had been lost in the system in the past month with no indication of where it is going. He said the concern is that there is a leak outside and on the wrong side of the vault, which means it is in the well field. Dr. Baldwin stated they are reviewing repair options and will know more soon. Angie Cook, the school system's finance officer, shared that the state budget raised the minimum wage to \$13 per hour and that adjustments had to be made without a major impact. She stated that in the next fiscal year, the minimum wage will go up to \$15 per hour and retirement contributions will increase, which will have a considerable impact on school budget.

Chairman Tate declared a recess at 2:57 p.m. to allow Information Technology staff to make repairs to the monitors. Commissioner Beale left the meeting during the recess and did not return. Chairman Tate called the meeting back to order at 3:04 p.m.

FY23' COUNTY BUDGET

2023 Revaluation – Tax Administration Abby Braswell began her presentation by stating the estimated reappraisal would be \$11,100,000,000 of real property taxable value. She stated many factors will impact this amount including qualified sales, exemptions, exclusions and diversions, and appeals. Ms. Braswell explained market value versus taxable value and factors that impact each of them. She stated the required schedule of values will be presented to the board in August, followed by a public comment period. A copy of Ms. Braswell's presentation is attached [\[Attachment 4\]](#).

Fiscal Year 2022-23 Budget Overview – Mr. Roland presented a SWOT analysis identifying the strengths, weaknesses, opportunities and threats in regard to the upcoming budget. He identified the following:

- Strengths: county employees being the most valuable asset followed by high quality and efficient services, a strong financial position, and leadership;
- Weaknesses: lack of financial policies, administrative efficiencies in Human Resources and Finance, accountability and accessibility;
- Opportunities: solid revenue growth, pursuit of additional revenue sources, and strengthening partnerships; and
- Threats: rising costs of supplies, supply chain issues, economic uncertainty, and recruitment and retention. A copy of the presentation is attached [\[Attachment 5\]](#).

Distribution of Budget Calendar - Mr. Roland distributed copies of the budget calendar [\[Attachment 6\]](#). The calendar calls for Mr. Roland to present his recommended budget at the board's May 10 regular meeting, followed by work sessions and then a public hearing at the June 14, 2022 regular meeting, followed by adoption of the budget.

Board member goals and expectations – Each of the board members was given the opportunity to voice their goals and expectations for the upcoming year, as follows:

Chairman Tate

- Add a pre-K program in Highlands
- Move forward with improvements to FHS and investigate the possibility of implementing a one-quarter-cent sales tax via Article 46 to help fund the improvements.
- Continue to take care of the county employees in whatever way possible

Commissioner Shields

- Continue to pursue broadband expansion
- Move forward with FHS improvements
- Improve access to mental health services
- Pursue options afforded through Article 46

Commissioner Young

- Review and approve county facilities – (have the Inspections Department complete an evaluation of all county properties)
- Make assets more interactive and accessible to the community – provide an online option for booking rooms, shelters, etc.

Commissioner Higdon

- Remain cognizant of all decisions we make – “tax payers are maxed out on how they spend their money”

Commissioner Beale was not present for this portion of the meeting.

CLOSED SESSION – At 3:54 p.m., upon a motion by Commissioner Shields, seconded by Commissioner Young, the board voted to go into closed session as requested by Commissioner Higdon as allowed under NCGS 143-318.11(a)(3) to preserve the attorney-client privilege and NCGS 143-318.11(a)(6) to discuss a personnel matter, with a plan to take no action following the closed session. The vote was 4-0 as Commissioner Beale was not present and did not attend the closed session. County Attorney Eric Ridenour participated via phone and Commissioner Higdon requested Tammy Keezer join the closed session as well. At 4:00 p.m., upon a motion by Commissioner Young, seconded by Commissioner Shields, the board voted 4-0, with Commissioner Beale absent, to come out of closed session and return to open session. No action was taken.

ADJOURN: With no other business, at 4:01 p.m., upon a motion by Commissioner Higdon, seconded by Commissioner Shields, the board voted 4-0 to adjourn.

Derek Roland
Ex Officio Clerk to the Board

Jim Tate
Board Chair