

**MINUTES****STATE OF NORTH CAROLINA  
COUNTY OF HENDERSON****BOARD OF COMMISSIONERS  
JANUARY 29, 1998**

The Henderson County Board of Commissioners met for a special called meeting at 5:30 p.m. in the Commissioners' Conference Room of the Henderson County Office Building.

Those present were: Chairman Bob Eklund, Vice-Chair Grady Hawkins, Commissioner Renee Kumor, Commissioner Don Ward, Assistant County Manager/Staff Attorney Angela M. Skerrett, Finance Director J. Carey McLelland and Budget Analyst Selena Coffey.

**CALL TO ORDER/WELCOME**

Chairman Eklund called the meeting to order and welcomed those in attendance. He stated that this was a Pre-Budget workshop.

**FISCAL YEAR 1998-1999 PRE-BUDGET WORK SESSION**

David Nicholson presented the Board with a booklet entitled "FISCAL YEAR 1998-1999 PRE-BUDGET WORK SESSION." This booklet contains the outline and graphs that staff would utilize in this evening's presentation.

Carey McLelland reviewed the Fiscal Year 1996-97 audit. Henderson County received an unqualified opinion or clean opinion from our external audit firm of Dixon and Odom. Mr. McLelland reviewed several compliance issues associated with this audit. He presented graphs concerning fund balance, tax collections, residential vs commercial tax collections, major revenue and expenditures and debt to valuation ratio.

Selena Coffey gave the Board a mid-year report. She reviewed projected property and sales tax collections. She provided the Board with updated revenue charts associated with the fee increases approved during the budget deliberations. These fees such as inspections, sanitation, ambulance and sewer are all above the 50% collected at the end of December.

Ms. Coffey reviewed a departmental expenditure overview listing and the program and financial status of our current Capital Improvement Projects.

David Nicholson informed the Board of the issues associated with the Fiscal Year 1998-99 Budget. These included a new budgetary software package. He again stated that his number one budgetary goal was to increase the General Fund's Fund Balance and to continue to improve the financial condition of the other funds. Utilizing the charts that were included in the booklet, Mr. Nicholson stated that Henderson County has the 16th lowest tax rate out of 100 counties. Henderson County's average valuation per capita of \$60,984.00 is a little above the North Carolina average.

David Nicholson stated that we can continue to expect a property tax growth of 3% or \$777,316.00 in additional money. Sales Tax is expected to continue to rise at approximately 5.5% or a projected growth in revenues of \$489,196.00. These are Henderson County's two largest growing revenue sources. This growth is only 2.7% of the total General Fund Budget.

Expenditures such as Medicaid, solid waste, jail and school capital projects are expected to again rise this coming fiscal year. The funding of education continues to be a major portion of any increase revenue growth. Henderson County ranked 17th in average daily membership funding for Fiscal Year 1997- 98. The current expense appropriation is 20% of the total General Fund Budget.

Mr. Nicholson informed the Board that a 15% increase, such as was requested last year, in current expense funding would use up 56% of the total expected growth. A 5% growth in Current Expense would keep their 20% share of the budget.

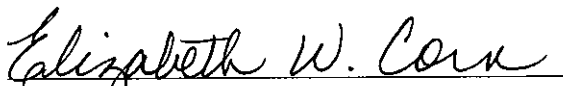
David Nicholson recommended that the Board not rank the CIP projects submitted to the Board at their January 21 meeting. There are several major capital projects such as jail and schools that need to be considered before the final ranking is developed.

The Board discussed several issues such as the status and future of solid waste and the county's role in funding not-for-profit organizations. The Board discussed the idea of funding both a county and school capital reserve fund. The Board will definitely decide this during their budget deliberations for Fiscal Year 1998 - 99.

Commissioner Hawkins proposed that the Board direct the County Manager to limit the growth of the budget to 3% for next fiscal year and to roll back the tax rate to 54 cents per one hundred dollars of valuation. Commissioner Ward agreed with this proposal to set a cap on the coming budget. Commissioner Kumor felt that it was too early to establish a limit on growth based on the unknowns and the need to establish both a county and a school capital reserve. Chairman Eklund stated that since there was not a full Board present at this special called meeting that this issue should be addressed at a future regularly scheduled meeting.

There being no further business to come before the Board, the meeting was adjourned.

Attest:

  
Elizabeth W. Corn, Clerk

  
Robert D. Eklund, Chairman