

**ROCKINGHAM COUNTY BOARD OF COMMISSIONERS
RECESSED MEETING – JANUARY 28, 2019 – 9:00 A.M.
COMMISSIONERS' RETREAT**

The Rockingham County Board of Commissioners met in recessed session on January 28, 2019, 9:00 a.m., Governmental Center, Commissioners Chambers, Wentworth, North Carolina. Present were Chairman A. Reece Pyrtle, Jr.; Vice-Chairman, Mark F. Richardson; Commissioners Kevin Berger, T. Craig Travis, and Charlie G. Hall, III; Lance L. Metzler, County Manager; Patricia P. Galloway, Financial Services Director; John M. Morris, County Attorney; Paul Murray, Strategic Management Director; Derek Southern, Director of ITS; Mark McClintock, Tax Administrator; Ronnie Tate, Director of Engineering & Public Utilities; David Nicholson, Facilitator, North Carolina Association of County Commissioners; Keli G. Watkins, Clerk to the Board; and members of the news media.

Chairman Pyrtle called the meeting back into session at 9:00 a.m.

ITEM #1 – GOALS OF MEETING

Facilitator David Nicholson, a retired county manager from Western North Carolina, discussed with the Board community strengths and areas for future work.

- A) Acclimate new Commissioner to the Vision, Mission, and Goals, making sure everyone is on the same page with what you have and to revisit to see if there are adjustments.
- B) Update the Commissioners on achievements and goals.
- C) Give the Commissioners an opportunity to discuss objectives and target actions to make sure those align with the Vision and Mission to see if there are new ideas that need to be generated.

ITEM #2 – LANCE METZLER, COUNTY MANAGER AND PAUL MURRAY, STRATEGIC MGMT

Mr. Metzler and Mr. Murray reviewed with the Board the following seven (7) strategic focus areas used by County departments and agencies as a guide to base their individual strategic and operational plans:

- A) Economic Development
- B) Organizational Efficiency and Effectiveness
- C) Public Safety
- D) Citizen Engagement and Communication
- E) County Appearance and Environmental Enhancement
- F) Quality of Life
- G) Education

ITEM #3 – STRATEGIC FOCUS AREAS – ACCOMPLISHMENTS ACHIEVED SINCE PREVIOUS PLANNING RETREAT HELD IN FEBRUARY 2017

Mr. Metzler and Department Heads gave an update on specific target accomplishments for the following Strategic Focus Areas:

A) ECONOMIC DEVELOPMENT

- 1) Create Ready Economic Development Sites
 - Submitted information on sites/facilities 1,147 times to EDPNC and/or clients.
 - Economic Development staff sent information to 6 general contractors regarding a possible shell building.
- 2) Examine Local Government Regulations
 - Economic Development staff met with Planning at least monthly to discuss regulations perceived as non-business friendly.
 - Planning submitted 2 text amendments to the Board of Commissioners to update the Unified Development Ordinance.
 - Funding for a complete update to the unified development ordinance and land use plan was approved by the Board of Commissioners and will be underway over the next several years.

- 3) Continue to explore options to increase the County's attractiveness to investors, including modeling our program around successes in other counties and/or states.
 - Economic Development staff represented the County at 18 trade shows in targeted industry sectors.
 - Conducted 9 promotional tours with developers/recruiters/consultants, including an aviation tour and a VisitNC Social Media spotlight.
- 4) Create enhancement and implementation plan for water and sewer infrastructure
 - Water and Sewer staff updated all potential expansion plans and presented a report to the Manager in late 2016. These existing potential plans were kept up to date since this time.
 - Water line extension down Highway 158 to the intersection with Price Mill Road was complete in December 2018.
- 5) Focus on commercial development
 - Economic Development staff assisted in several commercial startups, including the new Loves Travel Stop, Wentworth Animal Hospital, and GIA Distillery.
 - Marketed commercial locations including the ROCO shopping center and Madison Office center.
- 6) Enhance retention and expansion plan of business (identify ways to showcase local businesses on website, etc.)
 - Achieved 1,022 business visitations in the industry, retail, entrepreneurial, and hospitality sectors.
 - Coordinated 8 meetings with corporate and government leadership to maintain strong relationships. These included presentations for Unifi, Gildan, Keystone Foods, and Ruger, as well as the CED annual meeting and the Commonwealth Brands dinner meeting.
 - 6 local businesses were highlighted in a display in the governmental lobby, including TigerTek, Blow Molded Solutions, and Southern Springs.
 - 12 businesses were highlighted on the Economic Development website, including Charlie's Soap, Bibey Machine, Madison Quilt Shop, and GIA Distillery.
- 7) Other
 - The County Manager, President of RCC, and Superintendent of RCS met quarterly to discuss topics of interest and areas for partnership.
 - Voters approved, and the Board of Commissioners enacted, a new quarter cent sales tax to go towards workforce development initiatives at Rockingham Community College.
 - 99% of all scheduled building inspections were completed within 1 business day of the developer's preferred inspection date.
 - Library provided 109 classes in job seeking skills such as computer use, resumes, and interviewing.
 - 100% of all minor subdivision plats were reviewed within 3 business days by Planning staff.

B) ORGANIZATIONAL EFFICIENCY AND EFFECTIVENESS

- 1) Complete the HHS (Health and Human Services Consolidation)
 - Consolidated payroll functions for both Public Health and DSS.
 - Consolidated IT staffing – PH and DSS now sharing one business analyst position.
 - Presented plan for Central Intake to the Board of Commissioners in July 2018.
 - Public Health / DSS staff completed 81 outreach efforts to inform the public of programs provided by both divisions.

- 2) Accelerate implementation of the SunGard ERP (including Central Permitting and Human Resources / Payroll)
 - Human Resources / Payroll portion of OneSolution went live in November 2018. One section (position based budgeting) is still remaining to implement as well as employee online (time entry, view benefits, etc).
 - Trackit (land development) software went live December 2018.
- 3) Effectively utilize County owned space and property (promote disposal of unused County properties and develop timber management plan that includes selective cuts).
 - The County did the following with existing properties:
 - i) Sold two vacant properties (former Waters House in Wentworth and the former Probation Building on Freeway Drive).
 - ii) Relocated Head Start and gave the Old Wentworth School to the Town of Wentworth.
 - iii) Gave the former Clubhouse Building to Daymark.
 - iv) Gave the former UMAR House on Cherokee Camp Road to the Fine Arts Festival.
 - In the coming months, the County will move staff from the current County Home building to the existing Daymark building. This will allow for more centralization of County functions.
 - In January 2018, the County sold approximately 260 acres of timber at the Landfill, generating \$460,000. Staff currently expects a recommendation from our timber consultant in February 2019 for the next potential timber sale.
- 4) Other
 - Animal Shelter adopted/placed/owner reclaimed 92% of adoptable animals.
 - 97.2% of emergency calls were dispatched within 90 seconds. This is a 9% increase over the previous year.
 - The County eliminated the in-house mail room and print shop following the retirement of the employee assigned to this area, saving money and freeing up much needed office space.
 - The County has completed the necessary PCI compliance process and is currently installing/testing credit card machines. This is expected to roll out fully to Planning/Inspections in February 2019, with other departments to follow shortly.
 - The Sheriff's Office achieved an 84% case closure rate for index violent crimes, which is significantly higher than the 2017 state average clearance rate of 52.7%.
 - 99.9% of food service and lodging establishments due for an Environmental Health inspection received one, which is a significant increase from 84% two years ago.

C) PUBLIC SAFETY

- 1) Continue to seek a solution for EMS shortage
 - Madison Mayodan Rescue Squad began providing convalescent transports in 2017 to help alleviate the County's burden for these calls.
 - EMS requested an additional 6 positions (3 Paramedics and 3 EMT-Basics) in the FY 2018/19 budget to create a new peak hour ALS truck and enhance existing convalescent efforts. These were not approved due to budget constraints.
- 2) Schedule EMS transport calls where possible
 - The FY 2018/19 budget included \$50,000 for EMS convalescent scheduling pending the results of an investigation into its expected efficacy. Staff has been working with Human Resources to study what this type of position would look like and creating a job description. This process is complete and may be presented to the Board at an upcoming meeting to request this funding.

- 3) Protect the safety of law enforcement officers by exploring Mobile Data Terminals and Automatic Vehicle Locators (MDT/AVL) for patrol cars.
 - The Board of Commissioners approved approximately \$500,000 in the FY 2018/19 budget for MDT/AVLs in the Sheriff's Office vehicles. This project is currently underway, and is expected to be fully implemented by May 2019.
- 4) Other
 - Staff are currently in the process of implementing a new body camera solution in the Sheriff's Office, which is expected to be complete by March 2019.
 - A new firing range for the Sheriff's Office was complete in October 2017.
 - A new interview system was installed in Detective interview rooms, allowing for expanded storage for video archival.

D) CITIZEN ENGAGEMENT / COMMUNICATION

- 1) Increase the number of ways/improve ease of access for citizens to communicate with the County (Increase the County's digital presence, promote volunteerism)
 - The Board of Commissioners held 4 on-the-road commissioner meetings in FY 2017/18 to ease access for citizens in these communities.
 - The PIO completed 8 promotions encouraging citizen participation on volunteer boards, committees, and the Rockingham County Citizens Academy.
 - Various departments including County Manager, Public Health, DSS, and Library have customer service surveys to give citizens a way to communicate with the County.
 - The newly implemented Trackit (land development) program has a citizen facing side that staff hopes to have implemented by July 2019. This initially will allow citizens to request trade type permits, view the status of permits, view and request inspections, make credit card payments, and several other functions.
 - Library had 12.2% of its total circulation come from the Bookmobile and outreach – showing the department's effort to get Library resources out into the County.
- 2) Inform citizens about what we have in the County
 - PIO produced and aired 57 radio/TV shows, including (12) community accent shows, (33) 4-1-1 shows, and (10) County Commissioner 4-1-1 Board meeting recaps.
 - In partnership with economic development, PIO highlighted local businesses on the County's website 24 times in FY 2017/18.
 - Library staff attended 17 community events to promote available library resources.
 - Economic Development presented to 23 community groups/organizations on what County Economic Development is and how they can participate.
 - Tourism staff produced a new Rockingham County Blueway Trail guide to promote outdoor opportunities.
- 3) Other
 - Public Health presented 32 community classes/programs on things like wellness, diabetes self-management, and smoking cessation.
 - Public Health and DSS had over 8,000 responses to their survey(s), with 98% satisfactory or higher.
 - Register of Deeds increased the number of people enrolled in its fraud detection program by 12%. This program alerts citizens by e-mail every time documents are recorded in their name.
 - The Sheriff's Office performed 252 community outreach / crime prevention presentations in places like community centers and fire departments.

E) COUNTY APPEARANCE / ENVIRONMENTAL PROTECTION

- 1) Create an educational campaign around littering.
 - The Sheriff's Department created and promoted 8 public service announcements around littering and its impact on the County.

- The Public Information Office partnered with the Landfill to create a littering educational campaign with 176 outreach efforts. These included news stories, social media, community presentations, and radio/TV shows.
- 2) Seek ways to enforce anti-littering laws or regulations.
 - Code Enforcement completed a report highlighting illegal dumping and littering in the County.
 - 23 citations were issued in 2017 for illegal dumping.
 - 3) Other
 - 460 acres were planted using Soil and Water's no-till drill. This drill allows farmers to plant without tilling, which greatly reduces erosion and preserves water quality.
 - 28.53 tons of materials were recycled at County government buildings, exceeding the goal of at least 18 tons.
 - Environmental Health responded to 100% of complaints of possible violations of environmental health rules/regulations within 9 days.
 - Unincorporated residents collected 92.2 pounds of recyclables per resident (2,492 tons). This was an increase of 17 pounds per person over the prior year.

F) QUALITY OF LIFE

- 1) Encourage internships and volunteerism.
 - Human Resources assisted in placing 3 interns with County departments.
 - Information Technology had one intern from McMichael High School.
 - Landfill had one intern who was interested in pursuing a degree in engineering sciences.
 - Library had one intern from UNC Greensboro.
 - The Sheriff's Department provided 5 internships to Rockingham County high school students or NC college students.
 - Animal Shelter maintained 54 unique volunteers that contributed at least 10 hours.
 - Cooperative Extension had 1,809 volunteers assist in implementing educational programming.
 - The Public Information Office created 8 promotions highlighting volunteer County boards, committees, and the Rockingham County Citizen's Academy.
 - Youth Services maintained 190 unique volunteers, an increase of over 30 from the previous year.
- 2) Explore recreational opportunities for our rivers.
 - Economic Development and Tourism produced a new Blueway Trail guide that promotes rivers and other outdoor opportunities.
 - Economic Development staff met at least monthly with the Dan River Basin Association to understand opportunities and concerns around the river.
- 3) Expand outdoor recreational opportunities.
 - Economic Development staff promoted available Rockingham County recreation at 3 media missions with the goal of drawing attention and interest in Rockingham County.

G) EDUCATION

- 1) Promote all educational opportunities in the County. (Smart Start, Head Start, Primary education opportunities, Rockingham Community College, Work Readiness)
 - Citizens approved, and the Board of Commissioners enacted, a new quarter-cent sales tax, with the proceeds going to Rockingham Community College to address workforce readiness.
 - The County announced that it will not reapply for the Head Start grant at the end of FY 2019. This service will still be provided in the community, and the hope is that service levels will increase by being housed in an organization that focuses exclusively on education.

- Library served 5,410 children during the summer with programs like Reading is Fundamental and the Summer Reading program. This effort is designed to help children and young adults maintain their reading levels when they are not in school.
- School Resource Officers presented 242 classes to children in areas such as drug abuse education, combating bullying, and other positive reinforcement.
- 2,217 children gained knowledge of STEM by participating in school-based and summer programming through 4-H.
- In FY 2018/19, the Board of Commissioners approved an additional \$991,900 to go towards upgrading door locking systems in the schools as well as paving needs.

Commissioner Pyrtle inquired about the timely replanting of trees after timber harvesting. Mr. Ronnie Tate will check on sectional replanting and report back to the County Manager.

The Board recessed at 9:42 am and came back into session at 9:55 am.

ITEM #4 – COUNTY PROJECT UPDATE

The County Manager and various Department Heads gave an update on County Projects

- A) Completed Projects
- EPU – Replaced existing HVAC in DSS
 - EPU – NC 158 Water Main Extension Phase 1
 - Sheriff's Office – IRecord Interview System Upgrade
 - ITS – Library Server Upgrade
 - ITS – NC FAST P4 Pilot program for DSS
 - EPU – Firing Range
- B) In Progress Projects
- ITS – Trackit Land Development Software
 - Tax – 2019 Reappraisal Project
 - EPU – ABM Efficiency Upgrades
 - EPU – Animal Shelter Flooring & Duct Cleaning
 - Sheriff's Office – Body Worn Camera Solution
 - ITS – Electronic Payments
 - EPU/IT – Fleet Management & Preventative Maintenance
 - HHS – Health and Human Services Consolidation
 - EPU – NC 158 /US 220 Water Main Extension Phase 2
 - NC 158 Water Main Extension Phase 3
 - Sheriff's Office – Inmate Services Upgrade
 - Sheriff's Office/ITS – Mobile Field Reporting for Patrol
 - EPU – New Landfill Cell / Closure of Cells 1-3
 - EPU – NTE Water and Waste Water Mains
 - ITS – OneSolution HR / Payroll System
 - ITS – Production Server Replacement
 - Public Health – Public Health Accreditation
 - EPU – Relocation of Daymark to A & E Building
 - EPU – Timber Management Plan
 - Planning – Update Long Range Plan and UDO
 - ITS – Workstation Replacement
- C) On Hold Projects
- EPU – Belews Lake Greenway

ITEM #5 – REVISIONS TO STRATEGIC FOCUS AREAS

The Board of Commissioners' specific *revised* target accomplishments are shown under each strategic focus area. Often, more than one County department can work towards these target accomplishments (Revisions underlined):

A) ECONOMIC DEVELOPMENT

- Create ready economic development sites.
- Examine local government regulations and ordinances.
- Continue to explore options to increase the County's attractiveness to investors, including modeling our program around successes in other counties and/or states.
- Create enhancement and implementation plan for water and sewer infrastructure.
- Focus on commercial development.
- Enhance retention and expansion plan of business.
 - Identify ways to showcase local businesses on website, improve web integration, etc.)
- Promote and support small business development.
- Collaborate effectively with municipalities.

B) ORGANIZATIONAL EFFICIENCY AND EFFECTIVENESS

- Complete the HHS (Health and Human Services) consolidation.
- Effectively utilize County owned space and property.
 - Promote disposal of unused County properties.
- Implement a new fleet management system to increase the County's ability to effectively manage these resources.

C) PUBLIC SAFETY

- Continue to seek a solution for EMS shortage.
- Schedule EMS transport calls where possible.
- Encourage participation in volunteer fire departments and rescue squads.

D) CITIZEN ENGAGEMENT / COMMUNICATION

- Increase the number of ways/improve ease of access for citizens to communicate with the County.
 - Increase the County's digital presence.
 - Promote volunteerism.
- Inform citizens about what we have in the County.
- Enhance and promote the County's website.

E) COUNTY APPEARANCE / ENVIRONMENTAL ENHANCEMENT

- Create an educational campaign around littering.
 - Partner with schools and County libraries.
- Investigate options to address blighted properties.
- Seek ways to enforce anti-littering laws or regulations.

F) QUALITY OF LIFE

- Encourage internships and volunteerism.
- Explore recreational opportunities for our rivers.
- Expand outdoor recreational opportunities.
- Promote the development of broadband and cellular service, especially in unserved or underserved areas.

G) EDUCATION

- Promote all educational opportunities in the County.
 - Smart Start
 - Head Start
 - Primary education opportunities
 - Rockingham Community College
 - Workforce Development

The Board recessed at 11:30 am and came back into session at 11:40 am.

ITEM #6 – FY 2019/2020 TAX BASE TRENDS AND CURRENT YEAR COLLECTIONS

Mr. Mark McClintock, Tax Administrator, briefed the Board on FY 2019-2020 Tax Base Trends and Current Year Collections, to include the following:

A) REAL PROPERTY

- **Building permits:** Totals for main structures were up from 2017. There were 307 main structures of all types of non-exempt permits. There are 3 applications and approximately 500,000 of land and dwellings tax values exempted under the Builder's Exemption.
- **Residential construction:** House construction is up from 2017 with 185 Single Family house permits issued in 2018.
- **Commercial construction:** Love Truck Stops and a fast food vendor were added in addition to some up fits of existing buildings. An apartment complex is under construction.
- **Industrial construction:** There were several small additions of remodels and buildings.
- **Deed and plat totals:** Approximately 3400 deeds and plats were recorded in 2018. This is 95% of the 2017 total of 3577.
- **Sales Ratios:** Since 2011, Sales Ratios of Tax Values to the Sale Prices of Real Property have ranged from 98.82% to a high of 105.2%. This is based on all sales types Countywide and randomly selected by the North Carolina Department of Revenue. The 2018 sales ratio based on 2017 sales was 98.79%. All ratios are based on the 2011 Schedule of Values.
- **Sales files data:** This data indicates that sales are not consistent on certain classes of property. Northern areas of the County are not recovering as well as southern areas of the County.

B) REVALUATION OF REAL PROPERTY

- Notices on the 2019 Reappraisal are being sent on January 30th. (Approximately 2000 notices are held due to building permits or other issues).
- Initial Countywide real property value growth from raw data is approximately 4%. Appeals will possibly reduce this amount to an estimated 3%.
- As indicated by the Sales ratios, we are seeing some recovery reflected in the sales and hope this momentum will continue into the future.
- Older, non-renovated structures and certain areas are not growing like the southern areas of the County.
- Appeals at revaluation are hard to predict and estimate an approximate 1% loss in value due to appeals and corrections during the appeal period of the revaluation. This is an estimate only based on the 2011 Revaluation.
- Growth from the 2019 Revaluation will be impacted by the loss of Business Personal Property Value we could experience. Personal Property estimates will not be accurate until April.

C) PERSONAL PROPERTY

- Business Personal Property values are a concern and will probably drop this year with the majority of MillerCoors personal property removed.

- Business Personal Property values can make large swings and final figures will not be available until April 15th, which is the deadline listing for those who have requested extensions.

D) INDUSTRIAL CLOSINGS

- MillerCoors closing impact: Currently MillerCoors personal property values for 2017 and 2018 are under appeal. MillerCoors initially listed no personal property in the County; however, they do have a small amount of property stored at one of their former buildings.
- Ball Metal is gone, but AFG will list personal property at that location in 2019.
- It is not known if equipment has been removed from Commonwealth.
- SGRTEX is under receivership but will be required to list the equipment at that location, even with the plant closed. Collection of partial taxes from 2017 and all of 2018 is being pursued.

E) PUBLIC SERVICE COMPANIES

- 2019 Public Utility values are not available until September 2019. Duke Power and Public Service companies have seen increases over the last few years. NCDOR suggests allowing for a reduction each year being conservative.

F) REGISTERED MOTOR VEHICLES

- Motor Vehicle values appear stable with some increase in FY2017/2018 based on reports from NCVTS Tags and Tax. December 2018 RMV assessed values show an increase from the December 2017 assessed values.

G) NON-REVALUATION FORMAL APPEALS

- There is a formal appeal of MillerCoors Personal Property of \$151 Million in tax value of Business Personal property from 2017 and 2018.
- There is a formal appeal of Aaron's Rentals for 2017 and 2018 taxes.

H) COLLECTIONS

- Collection percentage last year was 98.14% which has not been published by NCDOR as of yet.

I) SUMMARY

- Final Real Property values are hard to predict this early in a reappraisal year. A more accurate idea of appeals should be available by April.
- Final Business Personal Property values will likely be reduced from last year. April 15th is the deadline for listing personal property (for those who have requested extensions).
- Final Public Utility Values will not be certified until September 2019.
- Registered Motor Vehicle Values appear to be stable.
- Growth in the Real Property values gained from the revaluation could be affected by a reduction in the Business Personal Property values and/or in the Public Utility Values.
- MillerCoors' appeals of the 2017 and 2018 Business Personal Property values could generate a refund.
- Next year's Business Personal Property values could be affected by Commonwealth's closing.

J) ATTACHMENTS

- Building Permit numbers 2002-2018
- NCDOR Sales Ratio Studies and Deed and Sales information
- Business Personal Property Tax Bills for 2019 Closed/Closing Businesses – 5 Year History
- Real Property Tax Bills for 2019 Closed/Closing Businesses – 5 Year History
- Property Tax Values Billed 2011-2018 compared to 2004-2005
- Tax Collection Levy Report of County Dollars from 7/1/2002 through 1/24/2019

ITEM #7 – FINANCIAL FORECAST

Ms. Patricia P. Galloway, Financial Services Director, gave a brief overview of General Fund Budget Projections, to include:

A) EXPENDITURE ASSUMPTIONS

- **Salary and Benefits**
 - Forecast assumes the continuation of pay increases based on performance evaluations that occur on employee anniversary date with a maximum merit increase of 2% awarded over the course of the fiscal year. An overall 1% increase in Salary & Benefits is projected.
- **Operating Expenses**
 - Based on December 2018 Consumer Price Index (CPI) of 1.9%, an overall 2% increase has been applied to operating expenses.
 - Head Start Program budget has been removed for FY2020.
- **Debt Service**
 - Existing General Government debt service payments will be \$123,000 less in FY2020. No new debt is anticipated.
 - CIP portion of the tax rate is projected to generate revenue sufficient to cover entire debt payment due on the Rockingham County Judicial Center (RCJC).
 - Water & Sewer Fund Debt Service will reduce \$208,000 in FY2020; therefore, an equal reduction in the transfer from the General Fund to Water & Sewer Funds has been made in this projection.
- **Capital Outlay**
 - Capital Outlay reduced for one-time items included in FY2019 budget (i.e. School Security & Paving projects and County MDTs Project).
 - Projection includes anticipated County Generators Project (\$455,000) and Building Renovation Project (\$250,000).
- **School Expenses**
 - This projection includes the same level of funding to Rockingham County Schools and Rockingham Community College as FY2019.
 - Increase of \$1,900,000 has been projected for Rockingham Community College due to the Article 46 Sales Tax revenue.

B) REVENUE ASSUMPTIONS

- **Ad Valorem Taxes**
 - Factors affecting projected revenue
 - The property revaluation currently underway will be the basis for calculating the FY2019/2020 Ad Valorem Revenue Estimate. Detailed information on property valuation and tax rate are not available for this financial forecast.
 - Revenue estimate is the balance of revenue needed after all of the above expenditure assumptions have been calculated and all other revenue adjustments have been made. Once the amount of revenue need is determined and the tax base estimated, the calculation of the tax rate is performed. To fund assumptions made in this forecast, an Ad Valorem Tax revenue increase of 1.7% will be needed. This amount of increase is typically generated through normal growth in property valuations in non-revaluation years.
- **Other Taxes and Licenses**
 - Sales taxes make up the majority of this category (Articles 39, 40, 42, 44, and 46).
 - Restrictions placed on certain articles for school capital needs and the requirement of the County to hold the Municipalities “harmless” at the time that sales tax revenues were reduced when then the State picked up the County Medicaid costs, projecting a flat rate of change to this category is not possible.

- The month-to-month distributions of each article of sales tax are kept and the trend over the most recent 12 months is projected out for the remainder of the fiscal year. An assumption is then made on what the trend will be for the next fiscal year's 12 months.
- As of November 2018, the County is seeing a 6.45% increase in Article 39 tax distribution (point of origin) and a 3.88% increase in Article 40 tax distribution (per capita).
- As of the date of this forecast, one distribution of the new Article 46 sales tax has been received and is in line with original budget estimates. The forecast includes an estimated FY2020 distribution of \$1,900,000; however, this amount could change as more distributions are received.
- **Other Revenues**
 - All other revenue categories are performing as projected in the FY2019 budget. Normal growth percentages of 1%-5% have been applied to various revenue types.
- **Investment Earnings**
 - Investment earnings continue to show a significant increase due to rising interest rates and increased efforts in the management of the investment portfolio to maximize earnings.
 - Interest rates are expected to continue to rise, although at a slower pace than in the previous year thus projecting a conservative increase in investment earnings in FY2020.

ITEM #8 – BUDGET DISCUSSION & DIRECTIONS FOR STAFF

Budget Packets will be distributed to departments on January 31, 2019. The Board discussed the following:

- A) Add Ambulance and EMS Staff
- B) Add Generator for Animal Shelter
- C) County Manager will provide an analysis of Shared Savings Programs implemented in other counties

Mr. Metzler introduced William (Will) Lingle, Fire Marshal and Lindsey Glover, Assistant Fire Marshal, both of whom were recently hired by the County.

- D) Add Capital Improvement Fund for Water & Sewer System on the western side of the County
- E) Prioritize Capital Improvement Projects
- F) Review Case Loads required per NC General Statute for departments
- G) Review DSS Intake Program
- H) Review School System Prioritization Plan

There being no further business, Commissioner Berger moved, Commissioner Travis seconded and the vote was unanimous to adjourn this meeting at 1:00 p.m.

MINUTES READ AND APPROVED,


 A. REECE PYRTLE, JR., CHAIRMAN
 BOARD OF COMMISSIONERS



RESPECTFULLY SUBMITTED,


 KELI G. WATKINS, CLERK
 BOARD OF COMMISSIONERS