



**MACON COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING - BUDGET WORK SESSION
FEBRUARY 9, 2023
MINUTES**

Chairman Higdon called the meeting to order at 1:00 p.m. All Board Members, County Manager Derek Roland, Tammy Keezer filling in for Deputy Clerk Mike Decker, Finance Director Lori Carpenter and County Attorney Eric Ridenour were present, as were a number of county employees, media and citizens.

Chairman Higdon 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

(A) 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 revenues have increased over the last fiscal year (FY) to this point in the year. Mrs. Carpenter informed the board that the 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) and is hereby made a part of these minutes.

(B) CIP UPDATE - Mitch Brigulio with Davenport and Associates provided 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. Mr. Brigulio provided four suggestions for policy considerations: (1) fund balance policy providing guidance that allows spending while preserving and maintaining a healthy fund balance; (2) debt payoff policy to guide the percentage of debt outstanding that is to be paid off during a specified time range; (3) debt to assessed value policy; and, (4) debt service versus

expenditures. Mr. Brigulio stated that county departments have submitted their Capital Improvement Plan (CIP) requests and he provided some suggestions for funding those projects, one of which was a new Franklin High School with summary projections for funding the first five years of that project. In conclusion, Mr. Brigulio stated that Macon County cannot maintain a revenue neutral tax position and fund a new high school. A copy of Mr. Brigulio's report is on file in the Deputy Clerk's office.

FY '24 BUDGET CONSIDERATIONS

(A) FRANKLIN HIGH SCHOOL PROJECT ARCHITECTURAL UPDATE -

Paul Boney and Emily Kite with LS3P provided an update on the project, including the liaison committee meeting held last week, a revised project timeline and other efforts they are considering to reduce the cost of the project. Mr. Boney said the drawings could be completed as early as fall and ready to go out for bids, so they have cost estimates to go to the Local Government Commission (LGC) for funding consideration. He indicated that the scope has been reduced from \$118,420,233 to \$100,239,509 with the contingency amount totally up to the county, and with the understanding that cost escalation is variable. Brief comments from the board members included feedback about getting accurate information and updates in a timely manner as well as ADA issues that have existed for 30 years, which could have been fixed prior to the current board members being in office. Mr. Boney said he is willing to do whatever he needs to do in regard to communication and involvement of the board. Mr. Roland said \$335,000 remains in the Franklin High School fund with estimates at \$336,000 for the new stadium and \$714,242 for the main campus for a total cost of \$1,050,252. He indicated that \$715,120 would need to be appropriated from fund balance to move forward with design development. Commissioner Young made a motion, seconded by Commissioner Shields, to authorize LS3P to proceed with design development for Franklin High School and construction documentation and procurement for the stadium and the accompanying budget amendment. Some discussion and clarification followed regarding this action giving the board the ability to see what the main campus is going to look like, construction documents being ready for bid, and allowance for documentation to be submitted to the state. The vote was unanimous.

(B) FY '24 EDUCATION BUDGET - Dr. Chris Baldwin, Superintendent of Macon County Schools, gave an overview of this fiscal year and plans for next fiscal year including the use of the Elementary and Secondary School Emergency Relief Fund (ESSER) to build four classrooms at East Franklin Elementary and renovate one classroom. He stated that the geothermal issues at Iotla Elementary have been partially resolved with no cost incurred and some leaks have been identified related to the Macon Middle School sewer gas issue. Mr. Baldwin answered questions regarding projects that the school system has prioritized for FY '24 (Franklin High School, Highlands Middle School, Macon Middle School Track, Nantahala Sewer, and Macon Middle School Vent Pipes).

(C) FY 24' County Budget

(i) FIRE SERVICE IN MACON COUNTY - Warren Cabe, Emergency Management Director, provided a handout and reviewed the current structure of fire departments in Macon County, service fees and budgets. He said there are 11 fire departments (9 volunteer and two municipal), a mix of volunteers (329), 21 full-time employees and 24 part-time employees, adding that service fees vary by area. After a brief discussion, Mr. Cabe said he hopes to have a revised contract for the fire departments by July to bring back for board approval.

(ii) FY 24' BUDGET OVERVIEW AND DISTRIBUTION OF BUDGET CALENDAR - Mr. Roland stated we are in the strongest financial position that we have ever been in due to our conservative budget decision-making. He said that economic uncertainty is going to continue into FY '24 and shared his thoughts about challenges for the upcoming fiscal year. Mr. Roland reviewed the budget process and the proposed budget calendar. Discussion included clarification about zero-based budgeting and board members being more involved in the budget process. Mr. Roland encouraged the board to observe the budget process this year, as there have been no changes from previous years. Commissioner Shearl made a motion that, for this budget process, all the board members sit in with all department heads, the county manager, county attorney, and the general public to build the budget. The motion died for lack of a second.

(iii) BOARD OF COMMISSIONERS FY '24 GOALS AND OBJECTIVES - Chairman Higdon requested to keep the budget flat

with two caveats, evaluate the purpose and mission statement of each department and clearly define objectives, and consider a policy on how extended position vacancies are handled. Commissioner Young requested regular maintenance be performed, including pressure washing, light gravel, etc., to county properties and if the property has reached or is reaching its lifespan, that it be brought to the board for replacement versus repair.

CLOSED SESSION: None

ADJOURN: With no other business, at 6:20 p.m. upon a motion from Commissioner Young, seconded by Commissioner Shields, the board voted unanimously to adjourn.



Derek Roland
Ex Officio Clerk to the Board



Paul Higdon
Board Chair