

**MINUTES
WILKES COUNTY BOARD OF COMMISSIONERS
April 21, 2020**

PUBLIC CONCERNS – None

The Wilkes County Board of Commissioners met on Tuesday, April 21, 2020 at 6:00 P.M. at the Wilkes County Agricultural Center located 416 Executive Drive, Wilkesboro, NC 28697 with the following members present: Chairman Eddie Settle, Vice Chairman David Gambill, Commissioner Keith Elmore, Commissioner Gary D. Blevins, and Commissioner Brian S. Minton.

Also present for the meeting were Tony Triplett, County Attorney; John Yates, County Manager; and Sarah Call, Clerk to the Board.

Chairman Eddie Settle stated due to the COVID-19 restrictions there are at the Ag Center with 10 or less and they are all glad to be here and will do all the things necessary to keep the county going. Chairman Settle called the meeting to order.

INVOCATION – Vice Chairman David Gambill led the Invocation.

PLEDGE OF ALLEGIANCE – Chairman Settle led the Pledge of Allegiance.

APPROVAL OF MINUTES – Motion was made by Commissioner Keith Elmore, seconded by Commissioner Brian S. Minton and unanimously adopted to approve the Minutes of the Board Meeting held on April 7, 2020.

BUDGET AMENDMENTS/TRANSFERS – Mr. Yates said EDC is giving a Golden Leaf Grant of \$15,000 and the Cattleman's Association is giving an additional \$15,000 to purchase a truck. This vehicle will be used to transport equipment Cooperative Extension has and loans out to the farms in Wilkes County.

Motion was made by Commissioner Gary D. Blevins to approve Budget Amendment No. 31 (General Fund – Cooperative Extension – Received a Golden Leaf Foundation Grant of \$15,000 to purchase agriculture equipment for farmers in Wilkes County. These EDC funds will be used to purchase a vehicle to transport the equipment to local farms). The motion was seconded by Vice Chairman David Gambill and unanimously approved.

**BLUE RIDGE OPPORTUNITY COMMISSION (BROC) – ANNUAL APPOINTMENTS
WILKES AGING ADVISORY COMMITTEE – Chairman Settle recognized Jennifer Cooper, Program Director Senior Nutrition Services. Ms. Cooper stated she is representing Blue Ridge Opportunity Commission, the lead agency for Aging Services in Wilkes County. They are asking for the Board's approval for the appointments to the Aging Advisory Committee for 2020-2021. She added there are no new appointments to the committee. They had two members**

that could not continue, but due to the current situation they felt it best to not replace anyone this year. Ms. Cooper asked the Board for their consideration of the nominees at this time.

Below is the list of the FY 2020-2021 Wilkes County Aging Advisory Committee Members presented to the Commissioners for consideration:

Ms. Jennifer Cooper, Lead Agency Director
Ms. Nicole Hiegl, Director Area Agency on Aging, HCCOG
Ms. Suzanne Hanlin, Director, Wilkes Senior Resources
Ms. Jennifer Snider, Director, RPB Adult Day Care Center
Mr. Kenneth Foster, Wilkes Senior Tar Heel Legislature Delegate
Mr. Ormond Loomis, Wilkes Senior Tar Heel Legislature Alternate
Ms. Karen Hallman, Community Alternative Program
Ms. Lynn Andrews, BROG Senior Nutrition Services
Mr. Eddie Settle, Wilkes County Board of Commissioners
Mr. Dave Snyder, Volunteer, Meals on Wheels of Wilkes
Ms. Mary Edna Faw
Ms. Gayle Benton
Ms. Tina Nuger, Community Service Representative, Home Instead Senior Care
Ms. Allison T. Brown, Mountain Valley Hospice & Palliative Care
Mr. Matthey Reece, Executive Director, Rose Glen Village
Ms. Debbie Wellborn, Director, Appalachian Senior Programs

Vice Chairman David Gambill made a motion to approve the Annual Appointments of the Wilkes Aging Advisory Committee for FY 2020-2021, as presented. The motion was seconded by Commissioner Brian S. Minton and unanimously approved.

TAX DEPARTMENT – WAIVE LATE LISTING PENALTIES – Chairman Settle recognized Alex Hamilton, Tax Administrator. Mr. Hamilton stated in January the Board voted to extend the late listing period to April 15, 2020 and they had several businesses file for the extension. He added due to the virus the Federal Government moved the tax deadline until July 15, 2020. Mr. Hamilton said this is important because companies use the depreciation schedules from these tax returns to help them file business personal property listings. He added it has been suggested by the Department of Revenue and by the Institute of Government Attorney that counties consider allowing businesses that requested to list their Personal Property on the later date to also waive the Late Listing Penalties. Mr. Hamilton stated he agrees with this and asked for the Boards consideration on waving the penalties until June 15, 2020 for any business that had originally filed for an extension for the April 15th date. He added the reason this date needs to be June 15th is due to the early payment discounts they offer in August, which means the bills have to be sent out by the end of July.

Mr. Hamilton stated in reading the suggestions it appeared that a written request was not required for the waiver of the penalty. Mr. Triplett agreed the recommendation did not list a mechanism to accomplish this. He added an approval from the Board to grant authority to the Tax Administrator to waive the late listing penalties should be sufficient.

Commissioner Keith Elmore made a motion to grant authority to the Tax Administrator to waive the Late Listing Penalties under N.C.G.S. §105-312(k) for all Taxpayers and Businesses who previously filed an extension until April 15, 2020 to be extended to June 15, 2020, as presented and requested. The motion was seconded by Commissioner Brian S. Minton and unanimously approved

JCPC BOARD MEMBER – APPOINTMENT – Mr. Yates stated Wilkes JCPC is requesting appointment of Mr. Christopher Arnder to replace Jason Delbert as the JCPC Representative for the Chief of Police from Wilkesboro. He added Mr. Arnder is an investigator with the Wilkesboro Police Department, this will be for a 2-year term, and he has completed the required Board Application.

Commissioner Keith Elmore made a motion to approve the appointment of Mr. Christopher Arnder to the JCPC Board as the JCPC Representative for Chief of Police from Wilkesboro Police Department for a 2-year term, as requested. The motion was seconded by Commissioner Brian S. Minton and unanimously approved.

HIGH COUNTRY WORKFORCE DEVELOPMENT – BOARD REAPPOINTMENT – County Manager John Yates stated Keith Deveraux, Director of High Country Workforce Development Board requested the reappoint of Mr. Jim Coleman, Recruitment Specialist Infusion Points, LLC to the High Country Workforce Development Board private sector seat. The letter stated they are requesting that he be reappointed to a full term on the High Country Workforce Development Board beginning July 1, 2020 and ending June 30, 2022.

Motion was made by Vice Chairman David Gambill to reappoint Mr. Jim Coleman to the High Country Workforce Development Board for term beginning July 1, 2020 and ending June 30, 2022 as requested. The Motion was seconded by Commissioner Gary D. Blevins and unanimously approved.

2020-2021 BUDGET DISCUSSION – Chairman Settle stated all of the Commissioners have had discussions with Chris Huffman and John Yates about the upcoming budget and the challenges they are facing with the severe hit to sales tax. Mr. Yates stated they are looking at a 20% loss in just sales tax at least. Finance Officer Chris Huffman stated the pie chart included in the handouts provided earlier list the budget adopted for FY 2019-2020 was \$84,012,839. He added throughout the year through grants and budget amendments the budget has increased to \$85,000,000 for the current fiscal year. The chart shows the majority of the county's budgeted expenditures falls between three areas: Public Safety, Human Services, and Education. These three totals \$68 million of the \$84 million budget. They provide a lot of services, but this is also where the majority of the tax dollars go.

Mr. Huffman stated the next page shows the sales tax projected at \$17,628,578 and they were meeting the projections for sales tax up to now. Now due to the current situation with the Coronavirus going forward they will not receive the sales tax they have up to this point. He added at this time they are projecting for April, May, and June is a 30% loss in sales tax totaling about \$1,300,000. Mr. Huffman stated to offset this loss the County Manager has frozen

spending and suspended travel unless it is an essential purchase to provide services they are not approving purchases.

Mr. Huffman said 21% of the County budget comes from sales tax and the impact that sales tax is going to have will be a huge burden on local governments from the virus. He added the handout list the sales tax from FY 2008/2009 \$14,335,000 and FY 2009/2010 \$11,764,000 to help give a perspective of what they are looking out going forward. At this time, they are projecting a loss of 20% for next year which means sales tax would be down to \$14,102,866 and takes them back to 08/09. They basically would have lost their growth for the past several years. Mr. Huffman added Wilkes had much smaller and slower growth than the urban areas. Wilkes has grown 1% to 2% each year and a 20% loss takes the county back several years. He added the 20% loss estimate is coming through guidance from the County Commissioners Association, the State Treasury Office, and the School of Government. Mr. Huffman said tonight they are estimating 20%, when it gets to June and time to adopt a budget it may be a different scenario since they get the sales tax two months behind. He added the sales tax handout shows the county was at 5% more sales tax collected than budgeted and doing well, but they know going forward that will not be the case. Mr. Huffman said at this time they have received \$679,814.95 more in sales tax than projected as of February. This will help going into the next 3 months, and they can make the case that the March sales tax should be OK as well since the shutdown began in the last week of March. Mr. Huffman said this will be hard to forecast, but they know there will be a significant reduction in sales tax.

Mr. Yates stated one of the problems is they can't get a good estimate of what this is going to do in the future or how quickly the economy may or may not recover. He added things are dependent on how fast the virus numbers go down and how fast the economy comes back. Mr. Yates said their estimates could be off to the good or to the bad, it is the toughest projection they have ever done.

Chairman Settle said the adopted budget was \$84 million, but Mr. Huffman mentioned \$85 million. Mr. Huffman replied when the budget was adopted July 1st it was \$84, through budget amendments and departments getting grants, and things like this the budget has increased over the past 10 months. Chairman Settle said going forward unless it is a true grant or an emergency that would stop. He added it looks like January was very special for sales tax and more than \$200K above last year and the highest month ever. Mr. Huffman replied yes it was, they had conservatively budgeted a 10% increase in sales tax and as of February they had a 15.7% increase and doing extremely well. Chairman Settle asked if they are looking at cuts to the budget of 10% or 14%. Mr. Yates replied yes, but they are looking at 10% to 14% cuts. Commissioner Elmore asked if 10% would be a best case scenario. Mr. Yates replied yes a 10% cut would be the best case. Chairman Settle asked if they made 14% cuts would the employees be OK. Mr. Yates replied 14% would get into programs and that would include employees as well if they have to go that high. Commissioner Elmore stated there are still a lot of unknowns. Mr. Yates agreed and added the good part is this Board has been very good stewards of taxpayers' money. They have a good fund balance and hope they can withstand some of this and the economy will come back quickly. Mr. Yates stated he was on a conference call today with the association and managers and the Counties are not included in the 3.5 Stimulus, but maybe

there will be a 4.0 Stimulus that will include them. He is recommending the budget is not adopted until late June because changes could be needed due to so many unknowns. Commissioner Elmore stated due to the way this Board has managed the county's finances over the last few years has allowed them to raise a decent fund balance, now they know why they need a fund balance. He added he commends the Board and County Staff for working on this and doing a good job. Chairman Settle stated he heard Commissioner Blevins say a few months ago that is because they said no.

Commissioner Blevins said when he and Commissioner Elmore came on Board the fund balance was in the single digits due to many factors including the great recession they were not ready for that. He added they are clearly readier and more prepared. Commissioner Blevins stated this came out of the blue, at least back in '08 it developed over time, this is different. He added he is OK with using some of the fund balance, but it will have to be a combination of cuts and fund balance. They prefer that cuts come from capital spending, supplies and areas other than staff. Chairman Settle agreed they need to keep employees. Commissioner Blevins stated there are essential things the county does that are written into state law, there are things the county does that are not. He added if things get bad the Board will have to recognize they must keep all the necessary services and the obligations they have under state law, but things that are nice to do, the public appreciates, and creates jobs the taxpayers simply can't afford. Chairman Settle agreed, they know where some of these are and where cuts will have to be made.

Mr. Yates stated they plan to have a proposed budget to the Board at the first meeting in May as always. Commissioner Elmore asked if they have enough time to do this by May. Chairman Settle stated they will have budget work sessions to go through the proposed budget, but wanted to get this out to the public now. Mr. Yates added the Department Heads have already completed their budgets and submitted them a few weeks ago. They were sent back and asked to make cuts and resubmit. Commissioner Blevins said this was just from the county departments, but a very large part of the budget goes to others that are not their departments like the Public School System. He asked if they are aware of this. Chairman Settle replied yes he has made them aware. Mr. Yates added he has made Wilkes Community College aware as well. Chairman Settle said he has spoken with the Sheriff and all are aware they are in the middle of a crisis and understand. Commissioner Blevins said they would like to commend the Manager and Finance Director for immediately seeing the projections, going to the departments and getting them involved in making cuts. Chairman Settle agreed and added tonight was to have a light discussion and make the public aware that there will be cuts.

Mr. Huffman said the budget they are working on will have at least a 10% cut across the Board for everyone. Chairman Settle stated they do not believe things will bounce right back, until there is a vaccine it will not open up. Vice Chairman Gambill agreed, even if they opened things up today people will still stay home. Mr. Yates stated they do not have all of the numbers put together, but the proposed budget will have a 10% to 14% cut.

ADJOURN - Motion was made by Commissioner Keith Elmore, seconded by Vice Chairman David Gambill and by unanimous vote adopted to adjourn the meeting of the Wilkes County Board of Commissioners at 6:36 P.M.

Sarah D. Call, Clerk

Eddie Settle, Chairman

WILKES COUNTY BOARD OF COMMISSIONERS

Approved: May 5, 2020