



**MACON COUNTY BOARD OF COMMISSIONERS
FEBRUARY 8, 2024
SPECIAL MEETING MINUTES**

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

ANNOUNCEMENTS:

- (A) Chairman Shields announced that the primary purpose of the meeting was a budget work session, which would include reviewing the current fiscal year and preparing for the upcoming fiscal year.
- (B) Mr. Roland announced that item number 3 – Schedule Public Hearing Regarding the Sale of County Property on the agenda would be revisited at the Macon County Board of Commissioners meeting on February 13, 2024.

FOLLOW-UP DISCUSSION REGARDING THE MACON MIDDLE SCHOOL TRACK

Emily Kite, Senior Project Manager with LS3P stated the cost to design the track would be \$55,200.00 with an estimated finish date of the first day of the next coming school year. A motion was made by Commissioner Josh Young and seconded by Commissioner Antione. Commissioner Shearl requested information on what funds will be used to fund the Macon Middle School Track project. Ms. Carpenter advised that the funds will come from the overage of the current school budget (K12 athletic grant). Ms. Kite said that once the design is complete, the new bid will be for \$850,000.00, and a Request for Bids will be released. She said the timeline for plans and specs are due late March 2024, with bidding by May 1, 2024, through May 14, 2024, notice to proceed with the Macon Middle School Track project, May 28, 2024, and completion by August 23, 2024. The vote was unanimous.

FY '25 BUDGET KICK-OFF

FINANCIAL REVIEW

(A) **CIP UPDATE** – Mitch Brigulio with Davenport and Associates thanked the commissioners for having him. He reviewed Macon County's financial position, stating Macon County is in a very envious spot, including a credit rating of AA2, general fund balance, revenue growth, debt ratios, etc. His report indicated that Macon County is in an excellent financial position. Mr. Brigulio provided the following suggestions for policy consideration:

- a. Fund Balance: Create a formal policy on how the county spends these funds and maintains a structural balance. This policy can improve Macon County's overall credit rating.
- b. Debt payoff policy to guide the percentage of outstanding debt to be paid off during a specified time range.
- c. Debt to assessed value policy
- d. Debt services versus expenditures.

Commissioner Young requested that Mr. Brigulio provide suggestions for the Fund Balance policy placement and said he wants to implement a policy immediately. Ms. Carpenter stated that she could adopt those policies by March of 2024. Commissioner Young requested different scenarios for funding the Franklin High School project. Mr. Brigulio recommended a loan for those funds, as current interest rates are 3.5 percent. He said currently, Macon County is earning five percent, so there will be no cost to receive lending for high-cost projects, which would allow

for paying cash on future projects. Commissioner Shearl asked, based on current budget requests, what the amount for funding overages is concerning needed projects not listed in the current budget. Mr. Roland stated that Macon County has 146 million dollars without raising current taxes and without falling below the seven percent debt reserve; most of the projects listed in the budget (70 percent) are for both routine maintenance and other projects. Commissioner Young requested that the Board be provided with more information regarding the quarter-cent sales tax and where the new revenue would be applied. Mr. Roland stated those funds, estimated at 2.3 million dollars, could be used to fund new projects or positions. Commissioner Young asked if that would allow the current mileage rate to be lowered. Mr. Brigulio confirmed that the mileage rate could be reduced with the new revenue from a quarter-cent sales tax. Mr. Roland will add a quarter-cent sales tax to be included in the November 2024 ballot to the next county Board of County Commissioner's meeting agenda. A copy of Mr. Brigulio's presentation is available in the office of the Clerk to the Board and is made a part of these minutes.

(B) FY 25' EDUCATION BUDGET – Josh Lynch, Superintendent with Macon County Schools, gave an overview of this fiscal year and plans for next fiscal year, including two new Items, the Cartoogechaye Gym A/C Unit and Amplifier System, along with the Franklin High School project, Highlands School project, Macon Middle School Track, and Nantahala Waste Water Unit. He said the Nantahala Waste Water Unit agreement has already been signed for an initial \$2,000.00 to assess land. Mr. Lynch shared that a detailed report will be issued for the Highlands Soccer Field project within the next month. He added that East Franklin Elementary School has overcrowding and maintenance issues and they are looking to replace the school in the future as well as adding a wing or renovating Cartoogechaye Elementary because it is at capacity. Commissioner Young asked if realigning the schools or grades had been considered. Mr. Lynch stated that they have looked into moving the Pre-K program into the Bartram Building, and redistricting lines is an option. Commissioner Shearl asked for a timeline for East Franklin Elementary. Mr. Lynch stated the need was a 5-year plan at max. Commissioner Antione asked if a site or location had been decided upon and Mr. Lynch said the current location is being considered. Mr. Lynch shared that the school board has applied for an agricultural grant for the Higdon property, with a funding match of \$200,000.00 to rework the barn for agricultural purposes. He shared that the Macon Early College renovations are making the school safer by upgrading door locks and providing a food line since there is not a full-service cafeteria on school grounds and that a grant is being applied to cover this. Mr. Lynch indicated that art, music, and STEM programs are priorities throughout the county now and that they are also looking into an option to bill Medicaid for mental health services provided by licensed clinicians following the same model that Jackson County uses. Commissioner Young requested further information regarding the odor at the Macon Middle School. Macon County School Maintenance Director Tracy Tallent stated that the smell had not been detected in a few months and they believed this issue has been fixed. Commissioner Shearl asks for verification that the amplifier booster must be replaced or installed in all schools. Macon County Schools Auxiliary Services Director Todd Gibbs confirmed that Middle School, MVI, and Franklin High school amplifiers need to be fixed. Commissioner Shearl stated he would like to see that corrected immediately, and Commissioner Young agreed it should be treated as an emergency. Mr. Roland said he would try to get a quote to replace at the needed locations. Macon County Project Coordinator Jack Morgan stated he was trying to install a repeater and would have further clarification by February 13, 2024.

(C) FRANKLIN HIGH SCHOOL PROJECT ARCHITECTURAL UPDATE

Emily Kite, Senior Project Manager with LS3P reviewed the status of the Franklin High School Project and the Highlands School Project. She provided a PowerPoint presentation showing that the Highlands Middle School renovations include: Replacement of HVAC and Controls, flooring replacement, window replacement, and roof replacement. She indicated that the Pre-K/Media Center Project includes: Renovating two classrooms, renovating the Media Center, adding four classrooms, a technology lab, and offices. Ms. Kite said that due to the projected amount of both projects, they have been merged at an estimated cost of 5.5 million dollars. Ms. Kite recommends the next step would be to award the contract for Construction Manager at Risk then start contract negotiations in a phased approach. She described the phases as: Phase 1 would be the purchase of the HVAC equipment, Phase 2 would be for pre-construction services and cost estimates, and Phase 3 would result in a guaranteed maximum price (GMP) and labor costs to install the mechanical equipment and the remainder of the scope of work. Mr. Roland suggested an action to allow contract negotiations with Vanoy Construction for the Highlands School Project who is the firm selected following the RFQ process. Commissioner Shearl made a motion, seconded by Commissioner Antoine to authorize contract negotiations with Vannoy

Construction as requested. The vote was unanimous. Ms. Kite stated the Franklin High School project's estimated total project cost with the stadium and high school combined would be \$127 million. Commissioner Young requested clarification on what has changed since the initial estimate. Ms. Kite advised that since 2022, 9,000 square feet have been added to include the Bartram Academy, a walking track at the gymnasium, and 15 months of escalations. She shared that the following step recommendations from LS3P and the Board Liaison Committee are: (1) Implementing the RFQ selection process and finalizing construction documents, and (2) Award a Construction Manager (CM) at Risk contract at the March 2024 board meeting. Commissioner Shearl asked questions regarding the location of the new high school and wanted the project to be included in the November 2024 general election ballot. Commissioner Shearl made a motion, seconded by Commissioner Higdon to include the Franklin High School project and location on the November 2024 general election ballot to include academic growth responsibility. The vote was 3 to 2 with Commissioner Shearl and Commissioner Higdon voting in favor of the motion and Commissioner Young, Commissioner Antoine, and Commissioner Shields voting opposed. Commissioner Young made a motion, seconded by Commissioner Antoine to proceed with the Franklin High School project as advised by LS3P. The vote was 3 to 2 with Commissioner Young, Commissioner Shields, and Commissioner Antoine voting in favor of the motion and Commissioner Shearl and Commissioner Higdon voting opposed.

(D) MID-YEAR FINANCIAL REVIEW

Finance Director Lori Carpenter provided an update on revenues, including sales tax, tax collection, and the general fund. Ms. Carpenter advised the Board that the General Fund expenses were higher this year due to the increased price of goods. A copy of Ms. Carpenter's presentation is available in the office of the Clerk to the Board and made a part of these minutes.

(E) FY '25 BUDGET OVERVIEW AND DISTRIBUTION OF BUDGET CALENDAR

Mr. Roland stated this is a once-in-a-generation budget and will have the most significant capital expenditures in the county's history as Macon County. He shared a PowerPoint presentation highlighting the National Economic Outlook, Real Estate Sales in Macon County, Register of Deed Fee Collections, Ad Valorem Revenue, Occupancy Tax Collections from 2019 through 2023, Sales Tax Revenue, FY'24 Revenue Sources and Expenditures, FY' 25 Demand for Services, FY '25 Revenue Outlook, FY '25 Administration Operating Budget Priorities, and FY '25 Administration Capital Budget Priorities. Mr. Roland discussed the budget calendar in detail indicating the proposed budget adoption date as June 11, 2024. A copy of Mr. Roland's presentation is available in the office of the Clerk to the Board and made a part of these minutes.

(F) BOARD OF COMMISSIONERS FY '25 GOALS AND OBJECTIVES

Commissioner Young requested information on the employee salary retirement; per Mrs. Carpenter, we budget as a pay-as-you-go. Commissioner Shearl would like to look into a convention center for Macon County to hold gun and gem shows and believes it would benefit the county. He also believes that Macon County needs to build a justice center near the jail, remove the court system, etc., out of the courthouse, use the Courthouse basement as document storage, and move the VA office to the courthouse. He said it would also free up civil processing salaries by not having to provide security to the courthouse. Commissioner Antoine would like to see an assessment of the senior services building to see if they are up to code.

CLOSED SESSION: None

ADJOURN: With no other business, at 5:31 p.m., upon a motion from Commissioner Shearl, seconded by Commissioner Young, the Board voted unanimously to adjourn.



Derek Roland
Ex Officio Clerk to the Board



Gary Shields
Board Chair