

**GATES COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING
JULY 2, 2010**

The Gates County Board of Commissioners met in Special Session on Friday, July 2, 2010 at 10:00 a.m. in the Commissioners' Room, 202 Court Street, Gatesville. Commissioners Twine, Jernigan, Askew, Nickens and Jordan were present. Also present was County Manager, Toby Chappell and Finance Officer, Sandy Pittman. The purpose of the meeting was to discuss the Fiscal Year 2010-2011 Budget.

A prayer was led by Rev. Billy Presley. Chairman Twine led the pledge of allegiance.

Chairman Twine called the meeting to order.

Approval of Agenda

Commissioner Nickens made a motion to accept the Agenda as presented. Commissioner Jordan seconded the motion, motion carried without opposition.

New Business

Mr. Chappell stated he has been notified of a reduction in the lottery distribution. Originally the County was scheduled to receive \$278,357; \$235,000 was budgeted. According to the new distribution formula the County will receive \$148,957, producing a shortfall of \$86,403. This morning a call was received reporting there will be an additional \$29,000 due from the State Beer and Wine Tax monies. These funds will reduce the shortfall to \$57,403. Mr. Chappell presented the following options as a solution:

- use Fund Balance
- increase property tax by one cent
- convert 911 Funds to General Fund
- cut employee raises
- cut school capital outlay by \$100,000
- 2% budget reduction from each department

Commissioner Nickens stated he felt the budget the Board approved was a good budget, based on the lottery funds coming in.

Commissioner Jordan questioned if there was an urgency at this point to try to designate specific line items to correct this deficit.

Commissioner Jernigan questioned if nothing is done today would the Board be breaking any law because the budget is no longer balanced.

Mr. Chappell stated the Board adopted a balanced budget.

Commissioner Jordan stated he felt the schools should not be cut, he prefers to make up the difference with 911 funds, General Fund or Fund Balance.

Commissioner Askew stated he felt Fund Balance should not be used for this purpose.

Chairman Twine stated he did not want to use Fund Balance,

Commissioner Jordan stated the County had \$1,000,000 in delinquent taxes, there are means to replace the money if Fund Balance is used.

Mr. Chappell stated the new VIPER radio system will be approximately \$250,000 and Mr. Winn plans to purchase the system over the next two years.

Commissioner Nickens stated School Capital Outlay Funds should not be used for this shortfall.

Commissioner Jordan stated additional funds could come in from the State. He would like to wait until September or October to do a Budget Amendment.

Citizen Comments

John Hora, Eure, stated the budget was balanced when it was passed. He stated Budget Amendments are not conducted properly, you need a budget variance. He suggested the Board go into Fund Balance to balance the budget.

Commissioner Jordan suggested to wait and if additional funds did not come in then the County could use 911 funds and Fund Balance.

Commissioner Nickens agreed with Commissioner Jordan.

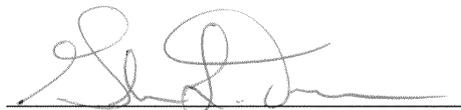
Commissioner Askew stated the County did not bring this situation upon itself. He did not want to penalize the schools although the lottery funds were allocated for the schools.

Commissioner Jernigan stated the Board had passed a great budget. He stated if this matter was tabled additional funds could come in to aid the shortfall.

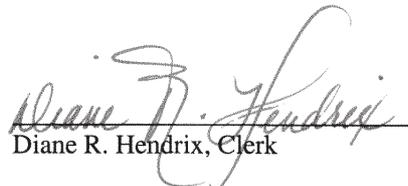
Chairman Twine stated he had a problem with tabling the issue and had a concern using Fund Balance whenever funds are needed.

Commissioner Jordan stated a meeting needs to be scheduled with the Tax Collector regarding delinquent taxes.

Commissioner Jernigan made a motion to table the lottery distribution shortfall and it's effect on the County's 2010-2011 Budget at this time and have the County Manager keep abreast of the situation and keep the Board updated. Commissioner Jordan seconded the motion, motion carried without opposition.



Graham L. Twine, Chairman



Diane R. Hendrix, Clerk

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