

The Alleghany County Board of Commissioners met in recessed session on Thursday, June 11, 2009, at 6:00pm in the Board Meeting Room of the County Administration Building, 348 South Main Street, Sparta, North Carolina.

Present: Chair Ken Richardson, Vice-Chair Randy Miller, Commissioner Doug Murphy, Commissioner Milly Richardson, County Manager Don Adams, and Clerk to the Board Karen Evans. Commissioner Steve Roten was absent.

Chair Ken Richardson reconvened the recessed meeting. He talked about how any changes to the budget will have to take the majority of the Commissioners, and no decisions will be made tonight because the Board is waiting to hear from all of the departments before starting to make decisions.

John Hedrick with Northwestern Regional Library came before the Board to discuss the library's request. He thanked the Board for their support of the Alleghany County Public Library. He said he hopes the Board can reinstate their full budget. He explained the proposed budget and recommended budget. He talked about the cuts will have to come from the book budget. He further talked about they have been cut by the State by 10% for the regional library, maintenance of effort clause with the State that if funding is below the year before, then the State can make the same cut. He talked about the total number of libraries in the system and if they receive any reductions it will hurt. He handed out the job search toolkit and explained it.

Chair Ken Richardson asked if the regional board has discussed reduction in hours or staff.

John Hedrick explained that they have not at this time because they have a healthy fund balance. He talked about how the State budget issues are affecting them.

Chair Ken Richardson and John Hedrick discussed how the House version impacts them.

Joan Sherrill talked about how the libraries are used more now than before.

Pat Polley, chair of the local library board, talked about the library is free and available to everyone in the county, and people can come in at any time to use the library. She further talked about people looking for jobs using the library for job recruitments. She explained the increased usage of the internet and that 44% of top US retailers do not accept paper applications. She talked about the numerous programs that are provided for the youth especially during the summer months. She urged the Commissioners to support the library in the fullness that you can.

Mary Walker, Tax Administrator, came before the Board to discuss the proposed tax office budget. She talked about concerns with the upcoming budget and the tax office losing an employee. She presented the history of when she started working at the tax office in 1980 and how the office has increased by three employees since then. She talked about there are more rules and General Statutes to follow now. She further talked about 55.2% of revenues come from taxes. She reviewed what is mandated by state law, taxes billed in August 2008, and responsibilities of the tax office for all property including the required audits. She explained that in 2008 audits performed generated \$60,000 collected in taxes. She further explained that if she loses a person then these audits will not be performed. She continued reviewing their responsibilities including billing and collecting for the Town of Sparta, required to do several reports for the State, deed transfers, 2007 revaluation, new software, town collections, credit card collections, foreclosures on properties, total number of employees. She explained what each person in the office does. She talked about some time within the next 15-18 months; she plans to retire because she will have 30 years in. She stated her appreciation for what the Board does. She asked the Board to please consider the employees. She talked about a proposed bill regarding builders' inventory and deferment of taxes and how the bill will impact the tax office, if it is approved. She said she doesn't think it is fair for the tax office to have to furlough someone when other departments don't have to. She stated her appreciation for Linda Killon and Georgia Billings for attending this meeting. She reiterated their appreciation for the Board's support.

Commissioner Milly Richardson and County Manager Don Adams discussed how much the Town pays town collections and maintenance for the fingerprint machine.

Commissioner Milly Richardson and Mary Walker talked about how the State allows 1.5% of amount collected plus fees like advertising.

County Manager Don Adams reminded everyone that the County was already collecting vehicle taxes and the real property was added.

Mary Walker explained that the 1.5% comes out of the machinery act.

Chair Ken Richardson talked about the County Commissioners Association is following the builders' inventory bill and other bills that put more work on the tax office and take monies from the counties.

Mary Walker talked about how they are discussing changing the disabled veterans' exemptions and the elderly exemptions. She invited the Board to visit their office.

Jayne Phipps-Boger with Wilkes Community College stated their appreciation for the Commissioners' support. She talked about the different programs offered and they have served a record number of students for the spring semester. She further talked about they hope that the college can continue offering the services without making any difficult changes. She explained that they are receiving flat budgets from Ashe and Wilkes counties. She thanked the Board.

Chair Ken Richardson and Jayne Phipps-Boger talked about the County Manager's recommendations.

Commissioner Milly Richardson and Jayne Phipps-Boger talked about items provided by the County; space, utilities, cleaning, maintenance/upkeep of facility, portion of one staff member.

Commissioner Doug Murphy talked about how people realize that this is the best deal going, and they should see an increase in attendance.

Jayne Phipps-Boger talked about they have seen an increase over the last five-year period, and community colleges are the best deal going. She further talked about they are so fortunate to be able to do the things that for the students. She explained that any additional education is going to increase their income over their lifetime.

Commissioner Doug Murphy talked about any money that goes into WCC saves money for the parents.

County Manager Don Adams talked about the economic development fund, and how Golden Leaf has provided a \$195,000 grant to build a multi-skills center. He explained the center, and he is requesting the money out of that fund for the \$25,000 additional money needed to build a multi-skills center. He further explained that students will be able to walk out of high school with certified vocational skills to work in the industries in the county. He talked about having enough students to draw the money down from the State.

Jayne Phipps-Boger talked about the different things that they are looking to do, and that we can do things by working together.

Commissioner Doug Murphy and Jayne Phipps-Boger talked about the family literacy program for \$5,000. She explained the program can no longer be offered for free and they are looking for free space but they do not anticipate losing the programs.

Commissioner Milly Richardson and Jayne Phipps-Boger talked about the space requirements and other requirements because working with children. Jayne Phipps-Boger explained the programs offered through the family literacy programs.

Commissioner Doug Murphy and Jayne Phipps-Boger talked about how this is a year-around program.

Commissioner Milly Richardson, County Manager Don Adams and Jayne Phipps-Boger talked about the old mental health and health department buildings that the Hospital owns them.

Jayne Phipps-Boger thanked the Board.

Dr. Jeff Cox, Superintendent, came before the Board to discuss the Board of Education's budget requests. He thanked the Board for the opportunity to come here. He talked about everyone knows the difficult times we are in and all of the departments are facing difficult cuts. He explained what the 5% cut means to the Board of Education. He said he is hopeful that everyone can persuade the General Assembly to restore cuts to schools. He talked about the State's budget situation. He reviewed personnel that they are looking to eliminate because of cuts in State budget and local budget in the amount of \$1,000,000; 10 teachers, 16 assistant, 1 custodian, 1 central office position. He explained that the Federal stimulus money helps because they are getting \$600,000 for the Title 1 and IDEA programs but these funds still have the same restrictions of the normal Title 1 and IDEA.

Commissioner Doug Murphy and Dr. Cox talked about the earlier numbers include these monies.

Dr. Cox explained that they are looking at everything including people retiring and not filling those positions plus they are already making some difficult decisions. He further explained that even if all of funding is received, there will still be some cuts. He said that they went school by school and reviewed personnel, student/teacher ratios, cut proportionally to student population at each school. He stated that it is everyone's duty and obligation to come through this to provide the best education to the children in Allegheny County. He said that they have made substantial cuts already. He talked about how the State has increased classroom size in elementary schools and high school and the cuts from that action. He explained more of the cuts from the State. He further explained that when looking at every line item in the budget cuts it is right at \$1,000,000 in personnel which does include the \$600,000 stimulus money. He said that the point is five more positions may be gone in two years because the stimulus money is only good for two years. He talked about how the coming year is going to be as bad and next year is looking worse. He said that 16.11% is how much their budget is being cut and the only way to get that kind of money is through personnel cuts. He talked about the reduction in force and having to pay for health insurance for reduction in force people. He reiterated that the County's \$125,000 cut is 3 teachers or 6 teacher assistants.

Commissioner Milly Richardson, Commissioner Doug Murphy and Dr. Cox talked about how the State won't allow school system to go back to 9 months to save some money because students have to be in school for 180 days and earlier discussions through the State about changing that requirement to more days not less.

Chair Ken Richardson talked about his appreciation for the way this has been presented. He stated that in other years, the County could have helped with those cuts but not this time. He said that the Commissioners will take all of these comments and determine what to do. He talked about the Board is not raising revenues.

Dr. Cox talked about a memo about overall of what this means, and encourages everyone to be on the phone to General Assembly. He further talked about the impact to unemployment and everything. He said that some years when they have had cuts and have asked for help, but this year they are requesting to hold harmless over the current year.

Commissioner Milly Richardson and Dr. Cox talked about the buses for elementary students and buses for high school students where the public sees overlap. They discussed that funding depends on running those routes as efficiently as possible to not lose money. He stated that they can't use transportation money for anything else.

Dr. Cox talked about how some electives won't be there next year that are there now.

Commissioner Doug Murphy and Dr. Cox talked about a change in the testing component being the beginning test in 3<sup>rd</sup> grade has been waived.

Chair Ken Richardson thanked the Chairman and Board of Education member and staff that are in attendance at this meeting. He explained that he hopes the study committee will continue their work because there are needs beyond this so we can by August or September have some recommendations to look at.

Dr. Cox agreed and said that the needs don't go away. He talked about a large pot of money similar to QZAB that will be available with a lot of the same criteria which can be applied for in July. He further talked about how they don't need to miss the opportunity.

County Manager Don Adams explained that he had talked to the engineer today, having preliminary options completed by the end of next week and try to schedule a night meeting during the week of June 22 or June 29 coming with basic numbers and options to have direction on which way to go. He further explained that he had sent him information about wells in the area. He asked how the Board wants to proceed.

Dr. Cox talked about a substantial amount of money available statewide.

Chair Ken Richardson talked about our track record and manner in wisely used the money plus being a tier 1 county should mean something.

Commissioner Doug Murphy talked about if state will take this negative economy to revamp and put more control back into the local level.

Clarence Crouse stated his appreciation for the past relationship with the Board of Commissioners and County Manager and joint committee. He complimented Dr. Cox who has been very transparent through all of these cuts. He stated his appreciation to all of the staff members, and they have worked with the schools on the cuts. He stated his appreciation for the Commissioners' efforts and hope that the Board can help the schools this budget year and at Glade Creek Elementary School.

Commissioner Milly Richardson thanked Dr. Cox, Board of Education and staff that they appreciate the situation the Commissioners is in.

Dr. Cox talked about how people know the economic conditions.

Commissioner Randy Miller said to not think this hurts us because it hurts the kids.

Commissioner Doug Murphy, Clarence Crouse and Dr. Cox talked about the county has never seen cuts this drastic from the State.

Chair Ken Richardson talked to the Board about staying a while after the Monday night meeting to discuss the budget. He asked the Commissioners to present their solution to what the Board is looking at. He explained that he would like for the Board to take the time to review because if three of members have the same thoughts that will provide Don Adams and Karen Evans something to work with to show how it would impact the budget. He talked about meeting the 22<sup>nd</sup> and the 24<sup>th</sup> of June to consider what the Board has suggested. He said that he is comfortable with the fund balance coming down to 15%.

Commissioner Milly Richardson agreed that she is comfortable with 15% for the fund balance.

Commissioner Randy Miller agreed.

The Board of Commissioners and County Manager Don Adams discussed fund

balance projections. The County Manager said the Board needs to be prepared to make up the percentages next year.

Commissioner Milly Richardson talked about how the County Manager has created a smaller budget so that increased the fund balance.

County Manager Don Adams explained that \$100,000 is 1% of the fund balance.

Commissioner Doug Murphy and County Manager Don Adams talked about in most cases not all of the money is used and based on history \$200,000-\$300,000 won't be used.

Commissioner Milly Richardson stated that she truly does not want to hurt county employees.

Chair Ken Richardson stated that he thinks that will be reflected in the Commissioners' priorities.

County Manager Don Adams stated that \$141,000 of the fund balance has already been proposed to be used, so the Board has closer to the \$550,000 for the 15%.

Chair Ken Richardson talked about any new money the Board wants to include in the budget will take a tax increase.

The Board of Commissioners agreed.

Chair Ken Richardson asked if 1¢ is around \$160,000.

County Manager Don Adams agreed and stated that it is \$168,000.

Commissioner Milly Richardson said that she will not support a tax increase this year.

Commissioner Randy Miller talked about next year will be worse and where is the Board going to get this. He talked about gradually increasing over the years rather than a lot at one time.

Commissioner Doug Murphy said that the Board has got to look at cuts and taxes together.

Commissioner Randy Miller said that if the County has C and D players in any department, now is the time to get rid of them.

Commissioner Doug Murphy asked the County Manager if this is the case.

County Manager Don Adams said the Board would need to go into closed session to discuss personnel.

Chair Ken Richardson talked about how the Board is costing the taxpayers more by some of our cuts more than a tax increase. He talked about how the health department affects the population because a lot of people use them as their regular doctor. He talked about he has always supported ADAP but the Board has to look at programs that only impact a small amount of the population. He said that the County exists to meet the needs for the citizens. He reviewed the timetable for budget discussions and the public hearing.

Commissioner Randy Miller stated that he has talked to some employees, and they would prefer to take extra days off rather than losing longevity.

Commissioner Milly Richardson talked about how then the cut would be 3% for all employees.

County Manager Don Adams explained holiday pay for people who get additional

money for holidays because they have to work.

Commissioner Randy Miller talked about how the employees did not want to have to take a week at a time because they would have to pay for insurance out of their pocket.

County Manager Don Adams agreed and said that is why he spread it throughout the year.

Chair Ken Richardson, Commissioner Milly Richardson and Commissioner Randy Miller talked about how longevity impacts the employees by who has been here the longest loses more money.

Chair Ken Richardson advised for the Board to be careful because Commissioner Roten is not here to have input in these discussions.

The Board of Commissioners and County Manager Don Adams discussed the DSS and tax office personnel cuts.

Chair Ken Richardson talked about prioritizing the cuts. He further talked about any employee that is cut then the Board is admitting that the County has too many employees.

County Manager Don Adams said that if he did not believe the positions were justified then it would not have been in his request last year.

Chair Ken Richardson talked about the reduction in the inspection department because of the economy.

The Board of Commissioners agreed.

Chair Ken Richardson talked about how the work isn't going to get any less and being the most disliked department in the county.

County Manager Don Adams talked about how salary impacts everyone but the Sheriff and Register of Deeds have to agree to it because they are elected officials.

Being no further business, Commissioner Randy Miller made a motion to adjourn at 8:04pm. Commissioner Milly Richardson seconded the motion. Vote 4:0.

Respectfully submitted,

Karen Evans  
Clerk to the Board

Attest:

Ken Richardson  
Chairman