

The Alleghany County Board of Commissioners reconvened the meeting from June 16, 2011, on Monday, June 20, 2011, at 11:28am in the Board Meeting Room of the County Administration Building, 348 South Main Street, Sparta, North Carolina.

Present: Chairman Ken Richardson, Vice-Chair Tom Smith, Commissioner Larry Cox, Commissioner John Goudreau, Commissioner Steve Roten, County Manager Don Adams, and Clerk to the Board Karen Evans. County Attorney Donna Shumate was absent.

Chair Richardson reconvened the meeting at 11:28am.

Chair Richardson continued with the list of people who appeared before the Board with the Wellness Center being next. He stated that the County Manager's recommendation is to provide \$27,540.

Commissioner Smith and County Manager Adams talked about their budget requests in prior years.

Chair Richardson after not hearing any other comments he proceeded to the next request; Alleghany Memorial Hospital.

County Manager Adams talked about since the last meeting, he has followed up with Blue Ridge Electric. He reviewed that if the total loan amount was \$160,000 then the debt payment would be \$40,000. He explained in order to find out, the County will have to go through the application process, and may have to bring Skyline in on the deal. He further explained that the County will not know until July whether the application has been approved or not.

Chair Richardson and County Manager Adams talked about other applications are in, and it could be an application to both entities or just an application to Blue Ridge Electric.

Chair Richardson asked how everyone feels about their proposed budget request. Commissioner Smith and County Manager Adams talked about Mr. Castillo's request.

Commissioner Roten and County Manager Adams talked about the number of physicians retiring in the long term. County Manager Adams explained that the County cannot borrow these funds through a bank because collateral must be held for the actual reason of borrowing money, and this is the importance of the revolving funds. He talked about ways to proceed if the Board wishes to go to \$200,000 and then if the Board wishes to go to \$100,000.

Chair Richardson and County Manager Adams talked about what happens if the application doesn't go through with Blue Ridge Electric. The County Manager described different scenarios.

Chair Richardson asked is the Board willing to move forward with one physician.

Commissioner Cox and County Manager Adams talked about how the loan would proceed if no one is selected until next summer including the loan will go through ACEDC. The County Manager talked about having a meeting with the Hospital Board later.

Commissioner Smith and County Manager Adams talked about the timeframe for the current hospitalist.

The Board and the County Manager talked about the Hospital's request regarding the hospitalist program.

Chair Richardson asked is the Board willing to move forward with one physician. He reiterated that the County Manager is indicating that the loan isn't a guarantee. No one spoke.

County Manager Adams clarified he is starting the application process for \$80,000.

The Board agreed.

Chair Richardson continued down the list with Arts Council next with them receiving \$7,540 from the State. He talked about \$9,000 would also ensure them to meet the match. He stated that they held 43 events last year.

Commissioner Cox talked about staying with the County Manager's recommendation.

Commissioner Roten and County Manager Adams talked about that is \$5,625.

Chair Richardson asked is everyone wanting to remain with last year's amount. No one spoke.

Chair Richardson talked about Wilkes Community College where the County Manager recommended a 3.1% increase, and she is requesting an additional \$1,786. He said he would like for the Board to help the College, if possible.

Commissioner Smith talked about this does not include her request for the liaison position.

County Manager Adams said he included monies for the additional utilities for the basement area, and there will be some cleaning since there is one office and one bathroom with the main thing being to keep dust down in the basement area.

Commissioner Cox and County Manager Adams talked about the liaison/counselor position. They discussed cleaning the basement area.

Commissioner Cox said he thinks the recommendation is good.

Chair Richardson said he is hearing from one Commissioner that the County Manager's recommendation is good. No one else spoke.

Chair Richardson talked about the next requests is the schools. He said he would like to discuss the current expense first then capital second.

County Manager Adams talked about the significant difference between what came out of the House and Senate budgets. He said he thinks they will have to still decrease and use their fund balance. He reviewed Dr. Cox's sheet and more monies are being provided to schools but they are still being cut. Chair Richardson and the County Manager reviewed his recommendation of an additional \$100,000.

Commissioner Smith talked about they anticipated a lot of these cuts and next year will be more.

County Manager Adams explained why next year will be hard because they are building a budget by using \$500,000 of their fund balance, which can't continue. He talked about their fund balance.

Chair Richardson and County Manager Adams talked about there are a lot of unknowns on the preschool program at this point.

Chair Richardson asked for additional comments on current expense. No one spoke.

Chair Richardson asked about the capital expenses. He talked about taking the recommendation and work with it the best as possible and leave it open about coming back to talk to the Board about their other capital needs that Dr. Cox talked about. He asked for other comments.

Commissioner Smith stated that Dr. Cox didn't leave any doubt that he will be coming back with other capital needs.

Chair Richardson asked for other comments or discussions on school capital. No one spoke.

Chair Richardson reviewed the Commissioners have discussed each group that came before the Board. He talked about the Board needs to decide on how to proceed, and the Board has increased the budget by approximately \$8,000.

Commissioner Roten stated his only problem with the Manager's recommendation is the tax increase, and he can't go for that plus using that much fund balance.

Chair Richardson said he does support what the Board has talked about and the County Manager's recommendation.

Commissioner Smith talked about keeping an open mind and that includes all the way through the public hearing. He further talked about the timeline of having a couple of days after the public hearing prior to the deadline of adoption of June 30.

Commissioner Roten asked about setting a meeting for June 30.

Chair Richardson talked about how to proceed with additional budget meetings.

Commissioner Cox talked about keeping an open mind and wanting to pay attention to the public hearing comments. He said he is looking forward to hearing from the public, and he is supportive of the County Manager's recommendations.

Commissioner Goudreau stated that he agrees with the importance of listening to the public. He said he is not in favor of a tax increase or using the fund balance. He further said that some people won't be able to pay for a tax increase.

Chair Richardson talked about half of the budget is taxes, half of the tax bills go outside of Allegheny County and where the vast majority of taxes are from. He further talked about having to look at half of the budget comes from something other than property taxes. He said this is looking at a small percentage of people living here who will be impacted. He further said another way to look at it is not take anything out of the fund balance or could increase fund balance to move along without a tax increase. He said that no one has shown him how to move along with using any fund balance.

Commissioner Roten and Chair Richardson talked about cutting the budget and having a balanced budget.

County Manager Adams pointed out to the Board the indirect costs for Social Services-\$270,032 and Transportation-\$24,841 that aren't true expenses and so actually around \$80,000 of fund balance will be used if everything comes in as scheduled. He explained if the Board cuts the \$376,000 fund balance, it will gain. He further explained that the discussion is really the 2¢ tax increase.

Commissioner Roten said it is nice to have a cushion to take care of some needs the Board knows are coming.

Chair Richardson talked about looking at our neighboring counties, and he thinks additional cuts would be detrimental to Allegheny County. He talked about making the decision for what is best for the citizens. He further talked about how to proceed.

Commissioner Roten talked about the need to listen to the public.

Commissioner Cox made a motion to adjourn at 12:30pm. Commissioner Goudreau seconded the motion. Vote 5:0.

Respectfully submitted,

Karen Evans
Clerk to the Board

Attest:

Ken Richardson
Chairman