

The Alleghany County Board of Commissioners met in special session regarding the budget on Wednesday, June 25, 2008, at 4:00pm in the Board Meeting Room of the County Administration Building, 348 South Main Street, Sparta, NC.

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

Chair Ken Richardson called the meeting to order at 4:00pm.

County Manager Don Adams presented fee schedules for Alleghany in Motion. He explained the increases in the schedule.

Commissioner Milly Richardson made a motion to approve the AIM fee schedule. Commissioner Doug Murphy seconded the motion. Vote 5:0.

County Manager Don Adams discussed the building inspections fee changes; reconnect and signs.

Commissioner Milly Richardson made a motion to approve the building inspection fee schedule. Commissioner Warren Taylor seconded the motion. Vote 5:0.

County Manager Don Adams presented the Transfer Facility fee schedule. He explained the differences on changing household fees to \$60 and weight accounts to \$60 per ton. He further explained that these changes will raise approximately \$75,000. He reviewed the reasons why the increase is needed; fuel costs/fuel surcharge, \$2 per ton state fee charge and need to purchase a loader.

Commissioner Warren Taylor and County Manager Don Adams discussed the BFI contract has one year remaining.

Chair Ken Richardson explained that the County Commissioners Association is lobbying to have the \$2 per ton fee delayed until January 1 rather than July 1 but it doesn't appear to be happening.

Commissioner Milly Richardson made a motion to approve the solid waste fee schedule. Commissioner Doug Murphy seconded the motion. Vote 5:0.

County Manager Don Adams presented information from Jim Burns with International Pipes & Accessories requesting the Emergency Management fire inspection fees be readdressed.

The Board read the information.

County Manager Don Adams reminded the Board that this is the second request from Mr. Burns wanting to know why the fire inspections are so high. He reviewed the fee schedule. He told the Board that the numbers reflected in the letter are for his entire facility, and when Lane left, they were not charged for that space this year. He talked about the amount of time needed for the inspection. He explained that the fire inspection fees bring in around \$17,000 and \$11,000 of that comes from four or five industries. He talked about fee schedules in the surrounding counties. He explained that \$5,500 would be lost if it is cut in half. He further explained that the four or five industries take more time than the small stores. He talked about the amount of work required through the LEPC, fire departments involvements, and it is more time than the two hours of actual inspection. He reminded everyone that hazardous inspections require Level III certification which takes nine years to obtain.

Commissioner Doug Murphy asked Gerald Leftwich talked about if there is a way to address some type of incentive program for doing a good job.

County Manager Don Adams and Gerald Leftwich talked about the things that Gerald does for industries than what industries are aware of in just doing the inspections. They talked about the different types of inspections. The County Manager

explained that would put Gerald Leftwich in a difficult place.

Chair Ken Richardson talked about they get their rewards from their insurance company and OSHA.

Commissioner Doug Murphy and Gerald Leftwich discussed that the fee schedule hasn't changed since 1994.

Commissioner Milly Richardson talked about cutting the fees in half to help the businesses.

Commissioner Randy Miller suggested $\frac{3}{4}$ of a cent instead of cutting it in half.

Chair Ken Richardson talked about the money goes into the General Fund, and it is not enough money to cover the Emergency Management budget. He further talked about the taxpayer is already supplementing it.

Commissioner Milly Richardson said that is a good point and suggested leaving the fees as is.

Gerald Leftwich stated that he recommends that the Board not go to a find-cause charge.

County Manager Don Adams explained that the Board had previously voted on this but he brought it back because of the letter.

County Manager Don Adams presented the budget summarizations sheets.

Commissioner Warren Taylor stated that the Board is at 19% fund balance right now.

County Manager Don Adams agreed and stated that the State recommends 20-30%. He talked about ways the State looks at the fund balance numbers.

Commissioner Warren Taylor and County Manager Don Adams talked about the \$65,000 from the Sparta School fund is separate and is not in the fund balance.

Chair Ken Richardson talked about ways to proceed with the budget at this point.

County Manager Don Adams explained the \$65,372 proceeds from the loan for 8-classroom addition with \$11,000 budgeted remaining that they are putting in the playground equipment. He stated that the Commissioners can use this money for anything.

Commissioner Doug Murphy, Commissioner Warren Taylor and County Manager Don Adams discussed it can go to the schools for any use and the uncontrollable costs for the schools.

Commissioner Doug Murphy made a motion to release this money to the schools for their use. Commissioner Milly Richardson seconded the motion.

Commissioner Randy Miller stated that he wanted to know what the money will be used for.

Chair Ken Richardson stated that he is in favor of releasing it but wants to know what it will be used for.

Chair Ken Richardson talked about another possibility is giving them another \$70,000 on their uncontrollable costs.

County Manager Don Adams reviewed the Board of Education's budget and his recommendations on their budget. He stated that he hasn't gone back over the Board of Education's budget but a little over \$30,000 is directly related to the NCWISE position.

Commissioner Doug Murphy asked for further clarification on whether the State is helping with NCWISE.

Chair Ken Richardson stated that \$10,000 for the Family Resource Center is needed.

The Board agreed.

Commissioner Doug Murphy stated that he thinks the money is needed for Alleghany Group Homes to keep their head above water.

Commissioner Milly Richardson discussed the Soil & Water department. She stated that she has no problem with the \$2,815.62.

Chair Ken Richardson stated that he has no problem with the travel request of \$1,718. He talked about there will be several discussions about reclassifying positions.

County Manager Don Adams explained the justifications and other administrative assistants are in the same situation.

Chair Ken Richardson stated that he has no problem with the travel increase just the Board needs to look at salary changes as a whole.

Commissioner Milly Richardson asked about the EMS equipment and what happens if the equipment isn't purchased since the Board has been made aware of this. She talked about pursuing grant funds for this capital.

County Manager Don Adams explained that they have applied for grant monies for the 3 lifepaks and were turned down. He explained the current defibrillator units and having maintenance agreements on the units. He talked about the radio system and transmission system. He further talked about the Hospital will pay \$1,995 for the transmission base and will utilize this service. He stressed the importance of the transmission system. He said that he recommends all of these. He explained that this is taking the County back to a capacity that the County used to have.

Commissioner Warren Taylor talked about the importance of the new lifepaks working with everything else.

County Manager Don Adams explained that the radios and transmission system are tied together.

Commissioner Randy Miller and County Manager Don Adams discussed replacing them over two years rather than one.

Commissioner Milly Richardson explained that she attended a fire commission meeting last night, and they are having problems with volunteers responding to minor calls. She talked about some other counties give a per call stipend of \$5 per call, which would be \$73,450 or \$10 per call, which would be \$146,900. She talked about this would cover one gallon of gas and would be helpful.

Chair Ken Richardson and County Manager Don Adams discussed how this could be done if the fire departments submit the information like retirement.

Commissioner Milly Richardson explained how other areas do this with a maximum amount of \$500 per person.

County Manager Don Adams stated that he isn't sure about the volunteer status and would have to check into that. He further stated that he wants to avoid hundreds of \$5 checks.

Chair Ken Richardson and County Manager Don Adams discussed other volunteers responding to things. The County Manager explained that these numbers are based on 10 people responding per call, and it includes the rescue squad. He

stated that he isn't aware of anyone else.

Chair Ken Richardson talked about putting the \$73,450 on the paper of needs and looking at it later.

County Manager Don Adams explained changing the part-time billing clerk to full-time previously approved based on the State approving the position but they cut the allocated costs reimbursement. He stated that the additional amount needed is \$3,000.

Commissioner Warren Taylor, Commissioner Doug Murphy and Chair Ken Richardson discussed adding that to the list of needs.

Chair Ken Richardson asked if the tax office employee currently has a desk.

County Manager Don Adams explained that the employee does have a desk currently.

Chair Ken Richardson asked about the building inspections capital request.

Commissioner Milly Richardson talked about if the building industry is halted, they won't be doing as much traveling this year.

Chair Ken Richardson stated that it is off of discussions.

Chair Ken Richardson asked if DSS is the same on capital.

Commissioner Doug Murphy and Commissioner Milly Richardson stated that you have to in order to be fair across the board.

Chair Ken Richardson asked about the no new personnel stance.

Commissioner Milly Richardson stated that the Board needs to make sure the County can pay for what we have before adding any.

Chair Ken Richardson asked about the request for the Extension Service.

Commissioner Milly Richardson said that the person in that position stated she doesn't need any help then why give it to her.

County Manager Don Adams provided the history of the position going from full time to part time and the need for someone in the office full time. He explained that the person is very skilled, but works part-time. He further explained that it will come time later to make the position full time with benefits.

Chair Ken Richardson mentioned the intern position in the planning department.

Commissioner Milly Richardson stated that the County should look at that.

Commissioner Doug Murphy talked about looking at that later when the Board discusses personnel.

Commissioner Milly Richardson talked about this is for a summer intern.

County Manager Don Adams explained Randy Blankenship's request for Toni's position.

Commissioner Doug Murphy and County Manager Don Adams talked about this would free up Kathy some.

Chair Ken Richardson asked about making the Elections position full time.

Commissioner Doug Murphy stated that he agrees.

County Manager Don Adams explained that they are asking for deputy director at

grade 61. He further explained their request.

Chair Ken Richardson and County Manager Don Adams discussed the position is at a grade 57 currently.

Chair Ken Richardson stated that the library is asking for 2% more for books.

The Board of Commissioners took a brief recess at 5:12pm.

Chair Ken Richardson talked about changes to now is \$212,122.20 and without the schools is \$142,494.20.

Chair Ken Richardson talked about his concerns about pay for starting employees being the same as 10-year employees, 2% built into budget, need to look at something to align this issue. He talked about one of the reasons for the reclassifications are to get the employees in a more favorable position to get more money.

Commissioner Milly Richardson talked about longevity needs to be addressed. She reiterated that this needs to be looked at but the County does not have the time nor resources at this time.

Commissioner Doug Murphy asked about looking at building inspections.

Chair Ken Richardson explained that when the Board gives the County Manager the authority to administer the salary plan, it makes it hard to look at one person.

Commissioner Doug Murphy asked if the Board is going to look at inspections since elections was discussed.

Commissioner Warren Taylor stated that another one is in Soil and Water.

County Manager Don Adams stated that the Board has to decide what they want to do.

Commissioner Randy Miller asked how much more can they take out of fund balance and be safe.

County Manager Don Adams explained that the safe range is \$200,000-\$300,000 to balance the budget. He further explained that normally all of the money isn't spent. He said that there is another \$53,000.

Commissioner Randy Miller talked about using that money for salaries. He asked can that fix it.

County Manager Don Adams explained that an additional 1% is \$32,000.

The Board of Commissioners discussed different ways to address the salary longevity issues.

County Manager Don Adams asked if the starting salary stays the same and move everyone 3% up.

Commissioner Doug Murphy agreed that is a step in the right direction.

The County Manager and Chair Ken Richardson talked about adjustments.

Chair Ken Richardson reiterated the Manager's comments about going up 3%.

The Board of Commissioners talked about how to fix this longevity issue. They decided to add \$32,000 to make the total 3% with a commitment to look at it again next year.

Chair Ken Richardson explained that the Board still has \$212,122.20 to look at

how to fund. He suggested after the Board discusses salaries, move back to discuss the \$212,122.

County Manager Don Adams and Chair Ken Richardson talked about one penny on the taxes is \$160,000.

Commissioner Warren Taylor talked about money for the schools.

Commissioner Milly Richardson talked about the SCAAP monies. She further talked about the \$32,000 could be used on the jailers request. She asked can this money be used for salaries. She said that the County Manager says no and Steve Cothren says yes.

County Manager Don Adams explained that financially the Sheriff's Department/Jail is a department. He further explained the SCAAP program started four years ago when the County hired a CPA to save money here and other areas. He explained that the CPA identified the SCAAP program, he went to the jail to gather information, brought it back here to find us money to help with existing expenses. He further explained that they must track every inmate, jailers collect the data already, funds we received were \$32,000 for two years worth of grants, list of items that money can be spent on, Board of Commissioners can chose because we file the report. He explained that the County first did this to offset the money already spent on the Law Enforcement Center. He said that he has to sign a document that says the County spends more than \$32,000 on salaries, which the County does because salaries are a lot more than \$32,000.

Commissioner Milly Richardson and County Manager Don Adams discussed who the money belongs to.

Chair Ken Richardson used another example of a county employee saving money wanting the savings to go on their salary.

Commissioner Warren Taylor said that it all comes back to the grade/job description issue. He stated that it is not fair to look at one group and not the others.

The Board of Commissioners discussed the requirements on how to use these monies.

Commissioner Randy Miller asked who is the lowest underpaid department is.

County Manager Don Adams reviewed his spreadsheet showing multiple departments. He explained his numbers are only related to beginning salaries.

Chair Ken Richardson asked without getting into something new, the Board will be doing good to find the \$212,122. He talked about leaving the 2% and longevity then tackle the \$212,000. He talked about taking the existing money and adding it to the fund balance.

County Manager Don Adams discussed the current fund balance numbers.

Chair Ken Richardson, Commissioner Milly Richardson and Commissioner Warren Taylor discussed taking it out of the fund balance, living with it and take the hit next year.

County Manager Don Adams said that takes the fund balance to a little over 17%.

Commissioner Warren Taylor talked about special appropriations. He further talked about budget amendments throughout the year taking money out of the fund balance.

Commissioner Milly Richardson said that it will make it a lot tighter next year.

County Manager Don Adams reiterated that his recommendation is always

between 20-30% fund balance.

Commissioner Doug Murphy asked if he is comfortable with the 17%.

County Manager Don Adams answered no.

Chair Ken Richardson talked about the need to look at the things that we added.

Commissioner Warren Taylor talked about if the Board cuts the schools or raises taxes 2¢ because of uncontrollable costs at the schools.

Chair Ken Richardson suggested 1¢ property tax increase and take the remainder out of the fund balance.

Commissioner Milly Richardson talked about cutting the non-mandated services. She further talked about the Chamber of Commerce is one place to look, and there are other places, too.

Commissioner Warren Taylor agreed about raising taxes 1¢ and taking the remainder out of fund balance.

Commissioner Milly Richardson stated that she cannot support a tax increase.

County Manager Don Adams explained how revenues come in and the use of the fund balance.

Commissioner Milly Richardson talked about having to make difficult choices next year.

Commissioner Doug Murphy asked about staying here and deciding or should the Board think about it and come back.

Commissioner Warren Taylor talked about Wilkes County had their fund balance down to zero because they didn't raise taxes, and one group had to raise taxes 12¢.

Commissioner Randy Miller talked about the County cannot progress with the times without raising taxes.

Commissioner Milly Richardson reiterated that the Board really shouldn't put any more onto taxpayers.

Commissioner Doug Murphy stated that needs like education and safety should be looked at.

Chair Ken Richardson mentioned ways to go forward with the budget.

The Board of Commissioners discussed the Board of Education's request and the difference.

Commissioner Warren Taylor reminded everyone that the public hearing is on Monday.

County Manager Don Adams asked if the Board is looking at taxes.

Chair Ken Richardson stated that is off the table.

County Manager Don Adams asked if the Board is done with salaries.

Chair Ken Richardson stated that he thinks so.

County Manager Don Adams asked about the \$212,000.

Chair Ken Richardson asked the Board to pick out three concerns. He stated that he understands that each Commissioner will have different concerns.

County Manager Don Adams explained the uncontrollable costs for the Board of Education.

Commissioner Milly Richardson and Commissioner Doug Murphy asked if the NCWISE is state mandated.

Chair Ken Richardson mentioned three areas of additional funding; schools, Family Resource Center and Alleghany Group Homes.

Commissioner Randy Miller discussed the raising taxes issue.

Commissioner Milly Richardson reiterated the need to keep taxes at the rate as this year.

Chair Ken Richardson recessed the meeting at 6:55pm until Friday, June 27 at 4:00pm.

Respectfully Submitted,

Karen Evans
Clerk to the Board

Attest:

Ken Richardson
Chairman