

The Alleghany County Board of Commissioners reconvened the meeting from June 8, 2012, on Thursday, June 14, 2012, at 6:30pm 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 recessed meeting at 6:30pm. He talked about having discussion tonight and the budget is on Monday's agenda. He said that he believes the Commissioners main three responsibilities are education, law enforcement/fire and health/human services. He talked about he is very strong about supporting additional revenue to support those areas. He further talked about having discussions at this meeting then talk again on Monday. He talked about the need to have conversations before the public hearing.

Commissioner Smith talked about his thoughts when going through the budget there were three options; look at employees, raise revenues or look at special appropriations. He further talked about when looking at county employees they have been in the firing line every year for the last several years including insurance so it's not at the top of his list to look at, the second one is to increase taxes, last year increased by 2¢ which he doesn't want to do but that leaves special appropriations to look at. He further talked about looking at special appropriations. He explained that these economic times are going to take some tough decisions.

Commissioner Roten said most people know how he feels about raising taxes. He talked about there are a lot of requests including the hospital. He explained that the Board is going to have to talk about these things. He said that he is willing to look at anything. He talked about there are a lot of requests that would take a lot of taxes raised. He said that he will work with everyone but the Board has to look at it.

Commissioner Cox talked about he has given it a lot of thought, and there is evidence of people not paying taxes or hospital bills which shows people are struggling. He said he looked at everything and can't find it. He further said he is not on board with another tax increase either, don't want to hurt the employees any more than already have with insurance and no pay increase, which leaves him with special appropriations/education/open positions. He explained that he has a worksheet that shows a 5% cut and explained how he got there. He said he did not want to hurt the fire departments, EMS, but all other special appropriations are included. He talked about other options that he looked at. He further talked about the 5% cut across the special appropriations of \$35,000, and to the schools, close to \$130,000. He talked about cutting the New River liabilities reserve in half. He further talked about a retirement coming in Maintenance regarding a hiring freeze, which brings down the fund balance appropriation to \$345,598. He said that the County Manager says that we spend about half of what is appropriated so looking at using around \$170,000. He talked about finding \$100,000 for the hospital which brings the fund balance back to \$445,598 and if this is decided to do then tie it to something like utilities which could be drawn down each month instead of a lump sum appropriations.

Commissioner Goudreau thanked the Board for the openness and honesty. He talked about the need to look at special appropriations; most of his cuts are 10% and some are total cuts because there are some things that the taxpayers shouldn't be funding. He said that some departments need to be looked at the number of employees, like DSS. He explained that he looked at a 10% reduction to the schools; they need to look at different areas and get creative on their operations. He gave an example of Wilkes added 30 minutes to the school day which eliminated 18 school days. He said that in his 10% reduction he did not touch the fire departments. He talked about the need to look at this budget and make some adjustments.

Chair Richardson talked about his standpoint is that counties either go forward or backward, and this budget takes Alleghany County backwards. He further talked about the hospital conversation, the forum was the largest public hearing that he has seen, opinion of the forum, after the forum and after sitting down with hospital with Commissioner Goudreau, they are being open, and talked about the hospital board. He said to think about what was heard last Thursday and Friday. He talked about last year's tax increase of 2¢, and he wouldn't change that. He said that he is looking at helping the hospital in a larger way. He talked about additional money for the hospital, the College, group homes. He explained that DSS only added 2 people and described the positions but they have had several turnovers. He talked about a bill in the general assembly to send out the RFP for Medicaid transportation which will hurt AIM.

County Manager Don Adams talked about the 2 additional DSS employees, and the Medicaid transportation employee was told if the State changed they wouldn't have a job. He further talked about the current status of the RFP with the House approval and the Senate rejected it so he isn't sure about the RFP for Medicaid transportation.

Chair Richardson said finding \$90,000 for the fire departments is what he heard in common. He talked about with the hospital he is hearing more than Commissioner Cox but thinks that some of us don't want to do anything. He talked about ways to proceed.

Commissioner Smith talked about the hospital is asking for \$600,000, and he is hesitating to go with that figure, Commissioner Cox mentioned \$100,000 and has something that was tractable. He talked about the  $\frac{1}{4}\%$  sales tax option that the Board has the authority to put on the ballot in November so the citizens could vote for it and the Board can put a stipulation that the Commissioners can say what that money is for.

County Manager Don Adams explained that the Board can make it apparent what the funds are to be used for but cannot change the ballot question and cannot obligate future boards.

Commissioner Smith talked about this would allow citizens an opportunity to vote because it is hard to provide funding for a facility that citizens do not support. He further talked about this is an option to see the community supports the idea.

Chair Richardson and the County Manager talked about \$160,000 would be generated and collection would not start until the last quarter of the fiscal year so it would be \$40,000 next budget year. The County Manager explained that was the last estimate he saw but it could be a little higher.

Chair Richardson talked about if the Board doesn't do something to help the hospital, the Board could be in real trouble next April or May. He further talked about there is a good chance of losing the hospital if the Commissioners don't do anything. He said that this Board cannot obligate future boards including the amount or the earmarks. He talked about their biggest obstacle is meeting payroll on a monthly basis.

Commissioner Cox said he is supportive of the  $\frac{1}{4}\%$  on the ballot and understands that it is down the road for that to be assistance. Commissioner Goudreau talked about the history across the state is that it hasn't passed and with economic conditions he doesn't think it would pass. Commissioner Smith said he wasn't alluding to that it would. Commissioner Cox talked about it would indicate support or not for the hospital, and he hears don't raise my taxes but we need the hospital from the public.

Commissioner Cox reminded everyone that the \$100,000 last year was borrowed to be repaid over 5 years with 0% interest.

Commissioner Goudreau said no one wants the hospital to leave; we have lost industry and people with health care insurance and not sure that if the hospital changed their options to accommodate those changes. He stated that he understands that these are tough decisions. He talked about some things that the Board needs to take a strong look at and the hospital should look at doing the same. He explained that providing money to the hospital to cover payroll is putting a bandaid on it, and it will keep taking larger bandaids. He said maybe the hospital needs to look at their operating procedures.

Commissioner Cox explained that's why he put it with something like utilities.

Commissioner Smith talked about Alexander County put a lot of money into their hospital and then it closed. He said he agrees that he doesn't want to be on the board that loses the hospital but the need to maintain the critical access status. He further said that he would gladly look at something specific like Commissioner Cox said.

Chair Richardson explained that some of the people that need help and the neediest will be affected by the hospital, and used an example of costing more. He talked about cutting the health department when they need more. He further talked about cutting education which is the most transparent needy things for the future. He said what concerns him is that the Board is overlooking the health care and education of the citizens of Alleghany County.

Commissioner Roten asked if the Board does everything the Chairman is talking about how is it going to be paid for because if it's everything then probably looking at a 25% tax increase. He said that

he is willing to pay a little more to help the hospital but the line has to be drawn somewhere because the Board can't do everything.

Chair Richardson said these conversations are good. He further said he is looking at a 4¢ tax increase.

Commissioner Roten said that the hospital takes that and that doesn't cover the other stuff.

Chair Richardson agreed, and said that the health care of the citizens is top priority and to protect the hospital.

Commissioner Roten said he is on board with Chair Richardson to try to save the hospital but he would like to see a few good faith efforts by them which sends a message to the public.

Commissioner Cox talked about \$636,000 shortfall that did not include the hospital, and cannot tax that much. He further talked about he was where Commissioner Goudreau is at about some of the things doesn't need funding but didn't think it was right to eliminate the funding with no notice.

Commissioner Roten said it's a trend, and it will continue.

Commissioner Goudreau said it's a gamble, and the Board doesn't know the liabilities.

Commissioner Cox agreed about not knowing the liabilities of New River.

Commissioner Goudreau talked about he has never been a fan of using the fund balance because that is using the savings. He further talked about the County doesn't need to get in a bad position and the LGC comes in.

Chair Richardson asked what is the fund balance percentage with the County Manager's recommendations. County Manager Don Adams said it's going into next year with 19%. Chair Richardson talked about we've always used some. County Manager Don Adams said that it's a balancing tool and used this year as an example of taking New River out and looks at end of the year we would not be using hardly any fund balance which is budgeted at \$400,000. The County Manager explained that typically we don't use \$200,000-\$400,000 and if the Board goes over that then you are increasing your chances that you will be using the fund balance. Chair Richardson said historically we have not used 100% of the fund balance, and most instances we have not used that money for the budget. County Manager Don Adams reviewed his fund balance numbers for this year

Commissioner Cox asked what about the \$445,000 of his numbers. County Manager Don Adams talked about out of the \$445,000 there is a chance to not use any and if any then it could be \$100,000-\$200,000.

Chair Richardson declared at brief recess at 7:25pm.

Commissioner Goudreau reviewed his handout of his cuts of 10% cuts to 8 special appropriations and elimination to 10 special appropriations.

County Manager Don Adams explained that Channel 50/21 is mandated monies that are a pass thru. Commissioner Goudreau said ok.

Chair Richardson asked the County Manager to explain cuts to mental health funding requirements by the State. County Manager Don Adams explained across the board type of cuts like is being discussed here has been done.

Chair Richardson talked about the library's maintenance of effort where a 10% cut then 10% from the State so it's really a 20% cut. County Manager Don Adams said that's correct.

Chair Richardson asked Commissioner Goudreau about his opinion about the \$90,000 for the fire departments. Commissioner Goudreau explained that these cuts aren't enough and having to find more.

Commissioner Roten and the County Manager reviewed that the capital grant for the fire departments.

Commissioner Goudreau explained that the 10% cut to the schools isn't included nor are the 4 positions at DSS.

Chair Richardson and Commissioner Goudreau talked about the filing of vacant positions at DSS.

Commissioner Goudreau talked about the need to look at Larry Davis' position and how to get by without that position.

Chair Richardson talked about the hiring freeze and every position had to come before the Board for approval to be filled. Commissioner Goudreau said he understands but this is something the Board needs to take a look at.

Commissioner Cox asked with Commissioner Goudreau's figures it would be reducing school funding by \$259,866. Commissioner Goudreau agreed.

Commissioner Cox said that it was his thought to spread the pain because it is hard to go from funding to nothing. He talked about the departments have done their best to reduce their requests. He said he hates to put them at zero all in one year.

Commissioner Smith said the Commissioners have a lot to think about.

Chair Richardson said he doesn't think the Commissioners should put it on the County Manager but if looking at these proposals then these people should be able to come back and tell us how that impacts them.

Commissioner Goudreau said he has no problem with that.

Chair Richardson asked if there was any problem between now and Monday for the County Manager to let them know about these proposals.

Commissioner Cox asked Commissioner Goudreau what is his position on the hospital. Commissioner Goudreau said not funded.

Commissioner Smith asked about any thoughts on \$90,000 for fire commission.

Chair Richardson talked about the consensus of the Board is that this money will be found.

Commissioner Goudreau agreed but said it would take this and additional cuts. He said the need to have to find the money somewhere. He talked about his meeting today at Council on Aging and the conversations about the hospital doing the meals but it came back that they cannot because of impacting their non-profit status.

Chair Richardson said each Commissioner sitting here tonight wants the funding for the fire departments.

Commissioner Roten reminded everyone that the fire departments do it for nothing. He compared the fire departments to the hospital if someone's house is burning when a fire department from another county has to come put out the fire because there isn't a fire department here. He reiterated that he said in the beginning that nothing is off the table, and he is willing to help the hospital. He talked about that is the biggest issue facing us.

Commissioner Cox explained that one reason he didn't say anything about the fire departments is because he couldn't find the \$90,000 so he left it. He further explained that he tried to work out something for the hospital.

Commissioner Roten talked about a few years ago the County Manager presented 5%, 10% reduction and then some things were reinstated. He talked about can't please everyone. He said that the only way to do everything is 10¢ and 3¢-4¢ is enough to cover the hospital. He further said that he is willing to talk about it.

Chair Richardson asked would each of the Commissioners be willing to listen to the impacts that this would have. Commissioner Roten said he has no problem with that, and he doesn't know the answer. Commissioner Cox encouraged the Board to do this, and this is the best that we could do.

Commissioner Roten talked about the only way to come up with a large sum of money is this or employees because that is where a lot of money is. He further talked about a few years ago a plan to eliminate some positions but it wasn't popular and the Board chose not to do it.

Chair Richardson asked if the Board is agreeable to recess this meeting until after lunch on Monday to listen to the people on the lists. Commissioner Cox and Commissioner Goudreau said they are good with Monday.

Chair Richardson asked is there any more questions on any of these. He further asked if there are any questions about the fee schedules.

Commissioner Roten said he has no problem with them.

Chair Richardson and Commissioner Roten talked about making the fee schedule motion on Monday.

County Manager Don Adams talked about the proposed loan for the Ambulance where he put in a 4.5% interest rate and it is more like 2.5% which is a reduction of \$1,750. He said that today the interest rate is 1.8%. He talked about the Board of Elections \$11,000 maintenance of machines expense which the House version of budget has, Senate version isn't really sure what it does at this point but it could be an \$11,000 savings. He clarified what he is supposed to do by contacting all of the individuals in the special appropriations with Commissioner Cox and Commissioner Goudreau proposals and the impacts, recess this until 1:30pm on Monday, and restrict comments for 5-10 minutes.

Commissioner Roten asked if the County Manager is going to schedule them. County Manager Don Adams explained the process. Commissioner Roten and Chair Richardson talked about time limits of 10 minutes and adhering to that.

Chair Richardson recessed the meeting at 8:00pm until Monday at 1:30pm.

Respectfully Submitted,

Karen Evans  
Clerk to the Board

Attest:

Ken Richardson  
Chairman