

The Alleghany County Board of Commissioners met in special session on Wednesday, May 12, 2010, at 6:30pm in the Board Meeting Room of the County Administration Building, 348 South Main Street, Sparta, North Carolina. The purpose of this meeting is to have budget discussions.

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 present but arrived late. County Attorney Donna Shumate was absent.

Chair Ken Richardson called the meeting to order and explained the purpose of the meeting.

County Manager Don Adams presented information regarding employee medical insurance.

Commissioner Steve Roten arrived at 6:33pm.

County Manager Don Adams explained the information in the packets regarding medical insurance; letter from the insurance committee, summary of renewal rates and rating factors for changes on medical insurance. He read the letter from the insurance committee requesting that the medical insurance not be altered. He quickly reviewed the insurance quotes for 2010/11 for property/liability, workers comp and medical. He explained the breakdown of the current medical insurance coverage, potential factors breaking out different aspects of the coverage showing the change in benefits and percentage change in the premium.

Chair Ken Richardson and County Manager Don Adams talked about the discount amount with NCACC for participating in all three pools.

Chair Ken Richardson and County Manager Don Adams talked about the insurance agreements need to be decided at the next meeting.

Chair Ken Richardson thanked the insurance committee for their work on this.

Commissioner Milly Richardson and County Manager Don Adams talked about the prior year when we didn't receive a premium increase.

Chair Ken Richardson and Commissioner Milly Richardson talked about being self-insured through the pool.

County Manager Don Adams explained how the rates are determined; a portion of the County's experience and a portion of the pool's experience.

Commissioner Doug Murphy asked about being able to have a buy-up plan if changes are made to the plan.

County Manager Don Adams explained the buy-up possibility.

Commissioner Milly Richardson talked about employees need to realize they have the best insurance of all of the people in the county.

The Board of Commissioners and County Manager Don Adams discussed the insurance renewal rates.

Commissioner Milly Richardson talked about different scenarios for the changes.

County Manager Don Adams gave the Board information from the insurance committee showing their three options; option #1—leaving the plan as is, option #2—6.7% decrease and option #3—9.8% decrease.

Commissioner Milly Richardson talked about option #2 and #3, and option #2 is a compromise.

County Manager Don Adams continued reviewing the insurance committee's options with the Board and ways the options affect the insurance plan.

Commissioner Milly Richardson stated that this is very good work. She thanked the committee for helping the Commissioners to not raise taxes.

Chair Ken Richardson talked about the information presented to the Board, and asked the Commissioners to study it and this will be a topic at Monday's meeting. He reiterated that the information that has been provided to the Board had provided enough information to make a decision.

Commissioner Milly Richardson asked the audience about having a choice of leaving the insurance as is or paying more taxes.

Randy Blankenship explained that is not a fair question to ask us. He stated his appreciation for what the Board does for the employees. He talked about things like this insurance is what makes the workforce what it is.

Chair Ken Richardson brought up the longevity pay policy.

County Manager Don Adams handed out information regarding the longevity pay plan. He talked about the recent salary grade changes based on merit and a second way to look at salaries is longevity. He explained the longevity portion of the personnel policy. He further explained the current process, All American salary study did not address longevity, issues the committee ran into when looking at longevity, committee took this and looked at this another way by taking the step plan away and going to the current longevity policy and tweaking it some. He reviewed modifications that could be made to the current longevity policy by making 0.2% gaps between years of service. He further reviewed the numbers for changing the gaps between the percentages from 0.2% to 0.5% with no cap.

Commissioner Steve Roten stated that he doesn't personally think the County

should give longevity until they have been here 5 years or even 10 years.

County Manager Don Adams continued explaining the differences between 0.2%, 0.3%, 0.4% and 0.5% gaps.

Commissioner Steve Roten stated that he would like to give them a lot but the money isn't there. He further stated that he wants to help the employees as much as he can but the money isn't there, and he isn't raising taxes.

Commissioner Milly Richardson stated she isn't raising taxes either.

The Board of Commissioners talked about salary grade changes and longevity pay.

County Manager Don Adams stated that this isn't being presented as a final decision but this is to start talking about longevity.

The Board of Commissioners continued talking about longevity for employees.

Commissioner Milly Richardson talked about she did some figuring that the 6.7% insurance option is saving around \$55,000.

Commissioner Doug Murphy asked about the buy-up option.

Commissioner Milly Richardson talked about the County is looking at retirees that are eligible for Medicare, and the County could save money by offering a supplement.

County Manager Don Adams talked about this is factored in the overall rates. He further talked about having a legal opinion because of vested benefits. He explained that this is something that has been thoroughly researched.

Chair Ken Richardson stated that he and Commissioner Miller have attempted to start addressing longevity, and longevity is an opportunity to award the employees who have remained with the County. He talked about trying to take one issue at a time because there is no way to address all of the issues. He further talked about trying to do something for all employees because employees are the backbone that makes this county great. He explained that it will cost more in the long run. He stated that this is information to be considered, and this is just the first meeting. He further stated that he is committed to do something for the County employees' salaries this year. He talked about if the Board cuts insurance then does nothing for salary the employees are worse off.

Commissioner Randy Miller agreed. He stated that this is just one thing to look at and there are different ways to look at it.

Commissioner Doug Murphy talked about if the Board can find the money to fix these things and can make the cuts then he is for it. He reiterated that the Board has their work cut out just to fund what this Board has already done. He said that he can't

justify raising taxes for salaries but if the Board can do it otherwise, that's fine.

Chair Ken Richardson stated that this is just the beginning of the budget meetings.

Commissioner Doug Murphy talked about the Board will have a lot of people coming before them for money.

Commissioner Milly Richardson talked about a recent article in the Winston-Salem Journal about the lack of salary increases at the State level. She further talked about the County is in a difficult situation but that doesn't mean the Commissioners don't value what the employees do.

Chair Ken Richardson explained the purpose of tonight's meeting, and the Board will take a serious look at all of the issues.

Commissioner Milly Richardson stated that it is her understanding that the revenues are coming in like the County Manager has projected.

Commissioner Doug Murphy talked about receiving a letter asking for the election of abortion coverage in the County's medical insurance policy.

County Manager Don Adams explained that he asked the Association if this was covered and can the coverage be pulled out.

Commissioner Doug Murphy stated that he has a problem with this being an elective procedure paid for by taxpayer's money.

Commissioner Milly Richardson talked about most insurance companies doesn't cover elective surgeries.

County Manager Don Adams read a letter from NCACC if the County elects to exclude abortions on the medical insurance coverage.

Commissioner Randy Miller and County Manager Don Adams talked about this change will not affect the premium.

Chair Ken Richardson asked the County Manager to get clarification and bring it up Monday.

Commissioner Steve Roten talked about it was his understanding that the County coverage mirrors the State but it doesn't.

County Manager Don Adams explained that the State has just removed this coverage.

Commissioner Doug Murphy reiterated his issue being taxpayers dollars are funding elective abortions.

County Manager Don Adams explained that in order to remove this coverage, it takes Board action.

The Board of Commissioners talked about elective abortions and medical necessary abortions are two separate issues.

County Manager Don Adams explained that he has been told the insurance will still cover abortions performed in emergency situations.

Commissioner Doug Murphy asked the County Manager to get him further clarifications on the elective portion, and he will bring it up if he decides to.

County Manager Don Adams talked about how the County charges commercial solid waste fees and current collection methods. He further talked about the other issue is the general conversations about fees.

Chair Ken Richardson talked about how long these fees have been in place and making this change effective July 1 about making the property owner responsible to pay.

County Manager Don Adams explained that is the current policy. He asked does the Board want him to proceed with this way of collection or find other ways to collect. He described the breakdown of the current fee schedule. He said the Board has to decide where the burden is to be. He explained 68 accounts were transferred to the tax office for \$15,060, 27 accounts were placed on real property for \$6,784 and 10 accounts were placed on lessors' real property for \$4,754. He talked about having legal opinions about whose property these fees can be placed on, and it is where the bill is generated is where the fees can be placed. He reiterated that this is one way of multiple ways to collect these fees. He explained that right now \$46,000 is owed to the County for accounts over 90 days, in the next couple of months the County will get some of this collected and not all of that can be transferred. He talked about the current policy is to do the transfers. He further talked about options for Mr. Miles' case because the County can't collect from the business owner because of bankruptcy.

The Board of Commissioners talked about not making an exception for a few, ways to notify property owners and previous boards have forgiven some charges.

Chair Ken Richardson talked about that if this Board is satisfied with the current policy and if not, change it effective July 1.

The Board of Commissioners and County Manager Don Adams talked about other possible options available and ways to collect including bankruptcy cases and where businesses are closed. They discussed solid waste fees for dumpsters.

Chair Ken Richardson asked is the Board satisfied enough to continue to do what is currently being done with the fees.

The Board agreed to continue the current way of collections.

County Manager Don Adams talked about the policy is to apply tax payments to solid waste fees first.

Chair Ken Richardson talked about the solid waste disposal fee schedule. He further talked about this is a fairer way to apply equity across the county by charging a solid waste fee rather than on the tax rate.

County Manager Don Adams talked about the solid waste fee schedule. He described the six categories and estimated revenues for each category plus the amount changes will affect the revenues/fees. He stated that if the Board is looking at changing rates, he would recommend looking at dumpster rates which affect 95 locations. He talked about things to look at when resetting the rates including depreciation at the Transfer Facility. He said there is an opportunity here to make adjustments.

Chair Ken Richardson asked for recommendations.

County Manager Don Adams stated he would recommend changing the dumpster rates by dropping the rate \$2. He said the Board can do a combination of changing the fees.

Commissioner Doug Murphy and County Manager Don Adams talked about there aren't any fees that need to go in the other direction.

Chair Ken Richardson reiterated that the County Manager is talking about looking at adjusting the business/industry category.

Commissioner Milly Richardson and County Manager Don Adams talked about the Transfer Facility budget will be okay with this fee change.

Chair Ken Richardson and County Manager Don Adams talked about maintaining the 25% reduction in the yardage of the dumpsters. The County Manager explained the purpose of keeping the 25% reduction including because the dumpsters aren't completely full at all times.

Chair Ken Richardson asked the Board if there is strong opposition to the \$2 reduction on the per-yard fee.

Commissioner Milly Richardson and Commissioner Doug Murphy agreed with the change.

County Manager Don Adams talked about changing the wording on the business/industry category for the yardage fee so it will match the fees being charged.

Chair Ken Richardson stated anything that makes it better and easier to understand.

County Manager Don Adams talked about the Board meeting with the departments and organizations regarding the budget. He explained how the budget process has occurred in the past.

Chair Ken Richardson talked about waiting until the Board gets the budget to set those dates for people to come before the Board.

The Board of Commissioners and County Manager Don Adams talked about the upcoming budget that will be presented to the Board on June 1 including the possibility of raising revenues, Manager's current budget does not have anything totally eliminated at this time and County capital needs.

Chair Ken Richardson talked about a call from Senator Hagan about assistance for the Blue Ridge Parkway for the cleanup efforts.

Chair Ken Richardson adjourned the meeting at 8:42pm.

Respectfully Submitted,

Karen Evans  
Clerk to the Board

Attest:

Ken Richardson  
Chairman