The Alleghany County Board of Commissioners met in special session on Wednesday, March 19, 2008, 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 a budget planning session.

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

Chair Ken Richardson called the meeting to order at 6:30pm.

Chair Ken Richardson talked about how pleased he is of the Board for their work on the current year's budget and their work during the budget process.

County Manager Don Adams started reviewing the packet of information that was provided to the Board; charts of expenditures, breakdown of debt service, revenues by source chart, potential revenue growth projections and General Fund balance discussions, identification of future needs/requests. He talked about the State of the County address.

Chair Ken Richardson talked about the State of the County address being an idea of the North Carolina Association of County Commissioners. He asked each Commissioner to read the address. He explained his idea about how to present this report for the newspaper and Channel 50. He asked the Commissioners to let the County Manager know if they wanted to add or change anything.

County Manager Don Adams explained the FY08/09 potential revenue growth projections including the audited tax base since 1999-2000, current sales tax growth up 3.8% and current budgeted service fees down by 16%. He stated that right now he is seeing flat growth. He talked about this is preliminary and can change as more time is passed in the budget year. He explained the General Fund balance sheet explaining the current analysis of the fund balance. He further explained the identification of future needs/requests; personnel.

Commissioner Milly Richardson arrived at 6:55pm.

County Manager Don Adams continued explaining the future needs/requests; personnel, major capital and capital improvements.

Chair Ken Richardson talked about the projection of growth is negative or at zero. He explained that before coming into this meeting, he was thinking about no more than a 5% increase. He talked about how that could relate to the tax rate being around a nickel, and he couldn't support that. He continued talking about the zero-growth factor.

Commissioner Warren Taylor stated that the Board is already looking at a \$100,000 increase in insurance and another \$70,000 for a cost-of-living increase. He asked the County Manager if he saw any increase in other funding sources.

County Manager Don Adams talked about Medicaid monies. He stated that he is more comfortable about receiving the monies for the next five years because the County has already received \$300,000.

Commissioner Warren Taylor and County Manager Don Adams talked about the amount generated by a land transfer tax would be around \$300,000 to \$350,000.

Commissioner Doug Murphy stated that the Board may need to rethink what should be done with the Medicaid monies.

Commissioner Milly Richardson apologized for being late to the meeting. She stated that it appears to her to try to stretch and make do with what we have. She talked about the County insurance is good, but benefits could be changed a little to save monies there. She talked about tighten where we can.

County Manager Don Adams stated that he quotes insurance every year. He talked about the NCACC has cheaper rates. He further talked about he is pricing out different options on the insurance coverage. He explained the budget schedule.

Chair Ken Richardson asked does it help to have an indication from the Board.

County Manager Don Adams answered yes. He stated that the Medicaid money may help.

Commissioner Doug Murphy and County Manager Don Adams talked about the current cost-of-living. The County Manager explained that BFI just sent a letter stating that their annual adjustment increase is over 4%, almost 5%, based on CPI.

Commissioner Warren Taylor talked about if they keep the tax base the same, they would have to cut services.

County Manager Don Adams stated that is close. He stated that everything could be frozen. He further stated that if the Board uses the Medicaid monies, standard increases could be handled.

Commissioner Doug Murphy and the County Manager discussed a 2% increase in revenues, property tax growth and sales tax.

Commissioner Milly Richardson asked if anyone thinks the transfer tax has a chance.

Chair Ken Richardson stated that Ashe County's will be on the primary election.

The Board of Commissioners talked about working through this before considering a land transfer tax. They talked about giving the County Manager an idea how to proceed with the budget.

Commissioner Warren Taylor stated that they could consider a 1-2¢ increase in taxes, if that much.

Commissioner Randy Miller talked about the costs of everything increasing.

Commissioner Doug Murphy agreed with Commissioner Taylor.

The Board of Commissioners discussed the 1-2¢ increase, if that.

Commissioner Milly Richardson stated that the Board should look at cutting back. She talked about holding costs and cut what can be cut. She reiterated about saving money by tweaking the insurance plan.

County Manager Don Adams explained his conversations with department heads and how the insurance impacts employees that have their insurance here.

The Board discussed dates for an additional meeting: April 9 or April 16.

Commissioner Randy Miller urged everyone to keep an open mind about employee raises.

Chair Ken Richardson asked everyone to keep open mind until it is time to make decisions.

The Board agreed to have another meeting after the DOT meeting on the 16th, which starts at 6:30pm.

Being no further business, Chair Ken Richardson declared the meeting adjourned at 7:40pm.

Respectfully Submitted,

Karen Evans Clerk to the Board

Attest:

Ken Richardson Chairman