

The Alleghany County Board of Commissioners met in special session on Tuesday, June 2, 2015, at 9:00am in the Board Meeting Room of the County Administration Building, 348 South Main Street, Sparta, North Carolina. The purpose of this meeting was for budget discussions.

Present: Chair Tom Smith, Vice-Chair Karen Leys, Commissioner Larry Davis, Commissioner Mark Evans, Commissioner Bobby Irwin, County Manager Don Adams, and Clerk to the Board Karen Evans.

Chair Smith called the meeting to order, explained the purpose of the meeting and welcomed everyone.

Lisa Osborne, Social Services Director, came before the Board to request the addition of a Social Worker Supervisor II at a pay grade 72 at a salary of \$41,736. She reviewed the Child Welfare Manual that says the supervisor/worker ratio shall not exceed 1:5. She talked about the duties of the current person. She reviewed the language in the Manual. She further reviewed the salary for this position.

Commissioner Evans and Lisa Osborne discussed the three program areas that the current person handles. They discussed this is a Supervisor III position currently in the budget and the new one would be a Supervisor II position.

Chair Smith and Lisa Osborne discussed there may be someone interested in this position in-house which would create another vacant position. Chair Smith said the State mandates that we are out of compliance with this. Lisa Osborne said yes, that's correct.

Commissioner Irwin and Lisa Osborne talked about how long Social Services has been out of compliance with the State. They discussed the penalty is if something happened then the State would monitor the incident and the State would require her to come before the Board to ask for the position. They discussed the amount to the County is \$17,860. They talked about how often Social Services is audited. He mentioned that there is a lot of turnover, and asked will this stop. Lisa Osborne said she can't answer that but she hopes so.

Chair Smith and Lisa Osborne talked about responsibilities of this full-time person.

Commissioner Irwin said this is a State requirement. Lisa Osborne agreed.

Commissioner Evans told Lisa Osborne that we will do all we can do to allow her to do her job.

County Manager Don Adams mentioned that health insurance hasn't been added to the cost numbers. He reviewed the numbers for the health insurance so the total cost to the County is \$17,860 plus \$3,172 for insurance for a total of \$21,032.

Commissioner Leys said yes we do have a choice and this request hasn't been approved in the past. She used an example of problems in the surrounding areas. She talked about the need for this position. She recognized Jane Wyatt as an outgoing Social Services Board member, who also worked for Social Services for 30 years and has served 6 years on the DSS Board. She stated that Sandy Ashley is going to replace her on the Board.

Commissioner Evans talked about the importance of helping the children.

Commissioner Leys and Lisa Osborne talked about the increase in the number of foster children.

Commissioner Evans and Lisa Osborne talked about how Social Services is currently dealing with the casework, and it is being spread across staff. She provided numbers for the current caseload.

Chair Smith thanked Lisa Osborne for stepping up and taking the Director's job and stated his appreciation. He thanked Lisa Osborne and the Social Services Board for coming to the meeting.

County Manager Don Adams explained that he has been asked about the additional ¼¢ sales tax. He provided information to the Commissioners about the ¼¢ sales tax. He reviewed the sales taxes that can be put on a referendum. He reviewed the handouts; NCGS regarding the ¼¢ sales tax including the ballot language. He stated that the monies cannot be directed to one expense. He reviewed how much monies the tax could generate; \$156,183 based on 2013/14 sales tax information and probably could be about 10% more.

Commissioner Irwin said he understands what can be put on a ballot but asked can a private group advertise for a particular cause. County Manager Don Adams explained public dollars can be spent to educate the public but not to advocate for or against the sales tax. The County Manager talked about when an election can be held. They talked about if the Governor's bond is put on the November election and the presidential preference election are two possible upcoming opportunities. They discussed the costs to the County would be very minimal because it is all digital.

Commissioner Davis and the County Manager talked about the sales tax would always be ¼¢. The County Manager talked about the required resolution and can't change the amount.

Chair Smith talked about if the Commissioners go forward and the voters approve it, the money is at this Board's discretion to decide where to allocate it annually. The County Manager agreed.

Commissioner Irwin asked what binding authority is the resolution. The County Manager explained the resolution has to be approved after a successful referendum and it can be undone by the governing body. They talked about this would put Alleghany County's sales tax at 7%.

County Manager Don Adams let everyone know that it takes a 45-day notice to the Board of Elections to get it on an election.

Commissioner Evans and the County Manager talked about this additional sales tax is not on food.

Commissioner Irwin said his concern is about adding it like the lottery monies, which the State started changing the law on how much the counties get. He stated that he doesn't like it that the Board can change where the monies go from the election reason.

Commissioner Irwin and Commissioner Evans talked about a lot of counties have the ¼¢ sales tax.

County Manager Don Adams talked about this has been on our ballot before and it didn't pass because there was no support from any group on it for any reason.

Clerk Karen Evans showed the Board information from the County Commissioners Association's website about how many counties have the ¼¢ sales tax.

County Manager Don Adams explained when the County would see the monies from a November election would be June. He further explained the timeline.

Manah Wyatt, Chamber of Commerce's Administrative Assistant, along with Wayne Andrews, Chamber President, and Bruce Benton, Chamber President-Elect came before the Board about their need for a part-time person to work the days Manah Wyatt doesn't work because she only works three days a week. She explained they currently have a person that works the other days who is employed through the Winston-Salem Urban League. She further explained that the front office computer went down. She talked about they have two interns this summer and can't leave them to run the Chamber. She explained that a new computer is part of the expense in their request. She reviewed their hours including their holiday hours.

Chair Smith and Manah Wyatt talked about the person that is employed through the Winston-Salem Urban League, and she would like this person to fill this position.

Manah Wyatt explained that the Chamber Director can't do it all by herself when she isn't there. She further explained that this is the second year of the program and the person's time is up in October.

County Manager Don Adams reviewed their budget breakdown in the amount of \$15,000. Manah Wyatt explained the funding for attending seminars for the community.

Commissioner Irwin asked about the computer prices ranging from \$600 to \$3,000, and asked why. County Manager Don Adams explained \$3,000 is for 3 computers, Extension Service is a basic laptop, and there are reasons for the different computers based on the needs in that department because every department has different needs. The County Manager explained his request for his new computer. Commissioner Irwin asked about buying them together to get a better price. County Manager Don Adams answered that the County doesn't buy enough to get a discount. Commissioner Irwin asked about there is no way to partner with anyone to get them cheaper. The County Manager said it is hard to tell.

Commissioner Leys and Manah Wyatt talked about the number of hours for this new person and for Manah Wyatt. Commissioner Leys talked about the amount of monies brought into Allegheny County through tourism.

Chair Smith talked about the revenues; membership dues and fundraising. He asked about the occupancy tax. Manah Wyatt explained the amount provided by the Tourism Development Authority (TDA). County Manager Don Adams explained there is a maximum that the TDA can supply for administrative funding, but the TDA can give more for specific projects.

Commissioner Leys talked about reading a brochure about how much monies are brought into Allegheny County through tourism.

Commissioner Irwin and Manah Wyatt talked about website traffic stats are maintained. She explained Imaging Specialists maintains the Chamber's website and the TDA's website. She talked about their newsletter and weekly briefings.

Commissioner Leys and Manah Wyatt talked about the amount of activities of things to do.

Wayne Andrews added that people should look at where the Chamber has been and when the Chamber is now.

Manah Wyatt mentioned that 2008/09 was the last County appropriation and it was \$24,000.

Wayne Andrews stated his appreciation for this time.

The Board took a brief recess at 10:05am.

Dr. Elaine Moretz came before the Board on behalf of the Arts Guild. She introduced Gary Medley. Gary Medley with the Grassroots Projects talked about things they are working on including creating a manual after their first year. She talked about making the biggest impact as possible with over \$18,000 the last 6 months to promote arts in the county. She further talked about looking at arts as a focus for economic development. She talked about the fire hydrants and new mini-murals that are in the process of being done. She said that last year the Commissioners gave the Arts Council \$5,600 then gave the Arts Guild \$3,300. She stated that they had requested \$10,000, and ask that the Commissioners allocate the same amount of monies to the arts this year as last year. She urged the Board to think about their funding and what they have done in the last 6 months. She explained that they submitted a grant to the State, and they will get \$6,639.

Chair Smith asked if those are matching funds and clarified that she has talked to the State Arts Council and the Arts Guild is in line to receive those funds. Dr. Elaine Moretz explained that they have talked to them and are in line to get the grassroots grant monies. She further explained it is divided among the 100 counties. She stated that the most they will match is \$6,639.

Commissioner Davis and Dr. Elaine Moretz talked about the grant is \$6,639. She explained that is why they look to others to assist them.

County Manager Don Adams said \$5,625 is budgeted for the Arts Guild. He explained the request is \$10,000 which leaves a difference of \$4,375. He further explained that the grant is \$6,639 which leaves \$1,014 to match the grant. He said the revised request is to retain the funding of the arts of \$8,925. He reviewed the three choices in funding and explained the differences choices.

Commissioner Leys and County Manager Don Adams discussed where they are on the budget spreadsheet.

Commissioner Evans asked what arts-driven economic development looks like. Dr. Elaine Moretz explained having programs that pull people into the county to visit or are coming through and then come back for a longer visit. She used Ashe County as an example. He asked what is being done to get people outside the county. She explained they are in the process of putting a packet together to let more people know about Alleghany County and the arts projects in Alleghany County.

Chair Smith thanked them for coming.

The Board talked about the requests including \$8,925 is what was spent on arts this year and matching the grant. The County Manager explained the County money has been used to match the grant each year and there is nothing in the budget to go to the Arts Council.

Warren Taylor, Alleghany Memorial Hospital, came before the Board along with George White and Brett Liverman. He thanked the Board for hearing the Hospital's request. He talked about an upcoming golf tournament as a major fundraiser, which will make around \$50,000. He talked about the thrift shop opening, which brings around \$35,000, campaign brought in \$35,000. He stated that they have been operating without a CEO, which saved around \$200,000. He talked about the Wake Forest partnership, and they don't want to be in the same situation as Yadkin County. He thanked the Board for the past support. He stated that they are currently recruiting a general surgeon.

Brett Liverman, CFO for Alleghany Memorial Hospital, explained through April they are running about a \$200,000 loss, which is a \$250,000 improvement over the same time last year. He explained that they framed their request around uncompensated care, and provided \$800,000 in uncompensated care with \$600,000 being for Alleghany County citizens, which was determined by patients' zip code. He said without that costs, the Hospital would be profitable. He talked about the State chose not to expand the Medicaid program. He explained that the agreement with Wake Forest will require some capital outlay purchases especially in the technology department. He reviewed the new clinics and the equipment needed for the new clinics. He talked about infrastructure challenges. He stressed that the County's appropriation is vital to the Hospital's success.

Commissioner Irwin and Brett Liverman talked about most of the new clinics require equipment. Brett Liverman explained the differences in the clinics.

Chair Smith and Brett Liverman talked about the advantages of the partnership. Brett Liverman explained the 3 main advantages; offer a greater span of services, creditability of being associated with Wake Forest, administrative back-office type support.

Chair Smith asked if uncompensated care is mainly the emergency room usage. Brett Liverman answered yes, it starts there but sometimes patients are admitted. They talked about \$600,000 out of the \$800,000 is Alleghany County zip codes for the uncompensated care.

Commissioner Irwin and Brett Liverman talked about the Affordable Care Act thinking that Medicaid would be expanded and North Carolina decided not to expand it so that left a large gap. Brett Liverman explained that they have seen a slight shift of uninsured into insured.

Commissioner Evans and Brett Liverman talked about he came in 2012 and it has been like that with uncompensated care.

Chair Smith and Brett Liverman talked about how the Affordable Care Act works.

Commissioner Irwin and Brett Liverman talked about Medicaid wasn't expanded in North Carolina, and how that hurts the smaller hospitals. They further talked about the Hospital makes multiple attempts to collect bills including sending it to a collection agency.

Commissioner Evans and Brett Liverman talked about the people that start in the emergency room then are admitted, the number that is transferred after being admitted is low because if a patient needed to transfer they are transferred out of the emergency room and it is rare to transfer from the floor.

Commissioner Irwin talked about the Hospital is asking for \$250,000, and asked does he know the amount provided over the past 7 years. Brett Liverman answered no but explained since he has been here it has been \$450,000. Commissioner Irwin and County Manager Don Adams talked about the loan of \$500,000 and then an additional \$100,000 for recruitment. Brett Liverman stated that was not for operating expenses. County Manager Don Adams said the total amount is \$1,050,000 and 1 surgeon and 2 physicians were recruited out of the recruitment monies.

Chair Smith and Brett Liverman talked about they are pleased with the response they have received since the surgeon has left. Brett Liverman used an example of them working with Wake Forest.

Commissioner Irwin and Brett Liverman talked about the Hospital has 125 FTE employees. Commissioner Irwin asked how much money has the Hospital Foundation put in the Hospital in the last 7 years. Brett Liverman guessed around \$350,000-\$400,000. George White explained they now have \$150,000 in the account and those monies go to equipment. Commissioner Irwin asked what the projection to get out of the hole is. Brett Liverman explained that the numbers are showing they are getting out of the hole, partnering with Wake Forest, major step forward if Medicaid is expanded, possible that the relationship with Wake Forest may expand, at some point they will have to look at their operations and whether to continue to provide as many services.

Commissioner Evans talked about the net loss is \$200,000. Brett Liverman agreed and said this time last year it was \$450,000. Commissioner Evans asked about the year before that. Brett Liverman answered that last year was better than the previous year. Brett Liverman explained that revenues have been fairly strong until May. Commissioner Evans asked what was the improvement from. Brett Liverman answered it was from expanding their services and cost control measures.

Commissioner Irwin and Brett Liverman talked about the Hospital is one of the most cost-efficient critical-access hospitals. Brett Liverman explained he can share the printed report. Commissioner Irwin asked what is a critical-access hospital. Brett Liverman explained what it means to be a critical-access hospital including the advantage of getting paid higher rates from Medicare/Medicaid.

Commissioner Leys and Brett Liverman talked about the effects of economic development on the Hospital. He explained an example of the Yadkin county hospital and an editorial in the newspaper from a manufacturing company.

Chair Smith and Brett Liverman talked more about the editorial in the newspaper.

Commissioner Leys and Brett Liverman talked about newcomers look at the schools and the hospitals, which are the top reasons for someone to re-locate.

Commissioner Irwin talked about applications the County Manager gets for a business that is looking to come here. County Manager Don Adams echoed the article that was mentioned and provided an example that it is an expectation to have a hospital.

Commissioner Irwin asked about the \$250,000 request and what happens to the Hospital if you don't get it. Brett Liverman explained that it means that it would be tougher for them and to make this work they have to spend some money unless there is an expansion in Medicaid it is going to be hard, fundraising efforts last year were great but was only about \$100,000, people expect these services and if they continue to offer the services, someone has to pay for it. Commissioner Irwin asked what if an amount of money was tied to a loan rather than a gift. Brett Liverman said that he can't commit but the Board could discuss it.

Commissioner Leys gave an example of her question to the previous management company about county governments supporting hospitals.

Commissioner Irwin and Brett Liverman talked about the Hospital hopes to get to a point where County monies aren't needed but don't know when that would be. Commissioner Irwin asked about debt. Brett Liverman explained that they have the remaining amount from the expansion of the Hospital, which is \$2,800,000, and that is their only long-term debt. Commissioner Irwin asked what the \$250,000 is for. Brett Liverman answered uncompensated care, capital needs and IT equipment needed. Commissioner Irwin asked are the Hospital's books open to public. Brett Liverman said yes the audit report is open to the public, and it is online.

Commissioner Evans and Brett Liverman talked about the Wake Forest partnership doesn't bring any direct financial support. Commissioner Evans asked if they could show how they would get out of this if the monies are provided. Brett Liverman agreed, and said he will know more later this week.

Commissioner Irwin and Brett Liverman talked about the debt payments are \$20,000 a month with a balloon payment near the end. Commissioner Irwin said if you want to look at it that way the requested amount covers this payment. Brett Liverman said yes if you want to look at it that way.

Chair Smith talked about trying to partner with the Hospital.

Brett Liverman said that the Hospital does have a surgeon until the spot is filled.

Chair Smith said the Commissioners will look at this during the budget process. He thanked them for coming to this meeting.

Chair Smith reviewed the remainder of the today's meeting. He asked about coming back around 2pm or 3pm.

County Manager Don Adams explained April Hamm and Travis Dalton will come before the Board about fee schedules when we return.

Commissioner Evans made a motion to recess this meeting at 11:25am until 3:00pm today. Commissioner Leys seconded the motion. Vote 5:0.

Respectfully submitted,

Attest:

Karen Evans
Clerk to the Board

Tom Smith
Chair