

The Allegheny County Board of Commissioners met in special session on Wednesday, June 5, 2013, 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 was for budget discussions.

Present: Chair Larry Cox, Vice-Chair Tom Smith, Commissioner Larry Davis, Commissioner John Goudreau, Commissioner Karen Leys, County Manager Don Adams, and Clerk to the Board Karen Evans. County Attorney Donna Shumate was absent.

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

Warren Taylor thanked the Board for the support in the past. He talked about the Hospital as an importance aspect of the community. He updated the Commissioners that the Allegheny Memorial Hospital (AMH) Board is going to use Alliant in August. He explained that they continue to work to expand the specialty clinics. He talked about how Allegheny Health Services is growing. He further talked about marketing the hospital in a professional manner. He requested the Board's consideration for continued support. He explained that he is bothered with the uncertainty of new health care laws. He talked about how the Hospital continues to struggle.

Brett Liverman, CFO for AMH, talked about the progress of the Hospital over the past year. He reviewed their state of operations and their balance sheet. He stated it is a volatile industry and provided examples of their recent patient counts. He reviewed their uncompensated care for the primary market and secondary market, which was 10% of their overall business from July 1, 2012 to May 31, 2013. He continued reviewing the packet of information provided to them from the North Carolina Hospital Association and a letter from the Hospital Association about the proposed changes to Medicaid. He talked about effective July 1, there will be a Medicaid total switchover, which will be a significant challenge regarding their cash flow.

Wendy Orton, CEO for AMH, talked about the specialty clinics that will be starting July 1.

Commissioner Leys, Brett Liverman and Wendy Orton talked about 25 patients is full capacity.

Commissioner Goudreau talked about the County's portion is included in the EBITDA number so it is down from the previous year. Brett Liverman agreed.

Chair Cox said he was sorry to see Jim Heitzenrater leave. He talked about he didn't realize that we are living in a world where you don't have to pay your bills. Brett Liverman talked about hospitals are in unique situations because they have to provide the care.

Commissioner Leys and Brett Liverman talked about 60%-65% are Medicaid/Medicare and 10% are uninsured.

April Hamm, Transportation Director, provided a sheet about the Section 5310 for the ED program, which is a two-year grant. She explained the amount of \$29,050 is already in the budget that was submitted. She reviewed the history of this grant starting with the award in February 2010 and started in May 2010. She talked about the number of trips provided and number of people served with the ED van. She explained the program is for the elderly and disabled and their cost is \$1 every time they get off the van. She further explained that the program was designed to extend the transportation opportunities for the elderly and disabled.

County Manager Don Adams explained that the proposed budget is balanced by using a fund balance appropriation of \$12,951 of the \$16,000 left in fund balance at the end of this budget year. He stated that the ED van is a great service to the community but forces Allegheny in Motion to use the fund balance or adjust rates. He talked about next year's budget is going to be very close and will be going into the following year with no fund balance so we will have to look at a fee increase or supplement from the County to fund it. He said it will take a large rate increase in one year to make up the difference. He explained if we continue with the ED program it will cost in the following year of a shortfall around \$20,000.

Chair Cox, County Manager Don Adams and April Hamm talked about the \$21,000 shortage.

Chair Cox and April Hamm talked about how the program works with charging people each time they get off the van.

County Manager Don Adams talked about how the fares that have been charged are paying for the ED program.

Commissioner Leys and April Hamm talked about the fares bringing in \$6,400 for ED.

Commissioner Leys, County Manager Don Adams and April Hamm talked about the other revenues in the budget and how they work.

Commissioner Smith and April Hamm talked about the van is used for 150-225 miles a day in the county only and the van has a total miles of 87,000-89,000.

Chair Cox talked about this is one of the best programs we have.

Dr. Gordon Burns, President of Wilkes Community College, talked about he appreciates the opportunity to come explain the expenditures rather than just presenting the budget and the feeling of appreciation of the importance that the Board gives people for further education. He further talked about the potential workforce economic importance of having Wilkes Community College (WCC) and being part of the process to move the economic needle. He said thank you for the ongoing support and for appointing Dr. Irwin and Duane Davis to serve on the Board of Trustees.

Jayne Phipps-Boger thanked the Board as well for the continued support. She said it is an honor to work with the College. She talked about 36 Alleghany residents listed in graduation with 54 different degrees/diploma/certificates. She further talked about the assembly program at Alleghany High School (AHS) where 34 graduating seniors participated in WCC classes and the breakout of the types of classes. She explained the number of AHS students indicated an interest of taking WCC classes next year is 44. She further explained the continuing education classes held.

Chris Robinson talked about challenges of the Alleghany campus being small numbers and they are addressing efficiencies at the main campus through reduction of staff due to staff turnover. He explained the importance of the metro-e internet connectivity and working with Skyline and Wilkes Telephone by creating a ring from Alleghany to Wilkes back to Alleghany. He talked about the current speed isn't enough to operate. He provided examples including the online courses becoming more important, increase efficiencies by installing software on servers that is accessible to each campus, VoIP, having a cyber campus at the Alleghany center with WCC installing the equipment for this and the telephone system, increased e-commerce/virtual cash register, staff efficiency. He talked about things that aren't available as much as they would like for the Alleghany staff to have. He stated the cost is \$6,800 annually and will increase what is available for the students here in Alleghany.

Commissioner Smith and Jayne Phipps-Boger talked about the applied machinery certification and other classes offered in the basement area of the College. They talked about interest in expanding in multiple areas.

Chair Cox and Chris Robinson talked about the additional bandwidth will allow Alleghany students to team up with other students in Ashe or Wilkes online without students driving to another campus. Chris Robinson provided examples. They talked about this will include a lot more students and more opportunities including distance learning.

Dr. Gordon Burns talked about the offerings for Alleghany 17 years ago and the drive down the mountain to complete anything. He further talked about the importance of the technology. He said that the College will be providing money also.

Ed Adams, Chairman of Board of Elections, along with Mac Murphy/Linda Absher/George Sheets came before the Commissioners to discuss the Board of Elections. Ed Adams introduced George Sheets as the new Board of Elections' member effective the first of July. Ed Adams talked about the NC General Statute (NCGS) that directs them how to determine the salary of the director including the process, which is simple in that they make a recommendation then the Commissioners approve or disapprove. He reviewed the requirements that the Board of Elections recommends the amount, Board of Commissioners approves the amount and the amount shall be commensurate with the salary of directors in counties similarly situated, similar in population, number of registered voters. He talked about a letter from the State Board of Elections that lists the counties comparable to Alleghany, which are all tier 1 counties. He explained how they determined their numbers. He said that the average of the five listed counties shows a \$2,977 difference of what is required by law. He reviewed the NCGS. He talked about the salary comparison of the counties of similar in population and registered voters. He said that this is submitted to the Commissioners as they have calculated the lowest possible number she is short, He further said the State Board supports this action.

Commissioner Goudreau asked if similar situated is rural mountain counties. Ed Adams read the NCGS. They discussed the word of similarly situated but they are not tier 1. They talked about looking at the county salaries everywhere and will see it is a lot more.

Ed Adams asked for consideration of the analysis they provided.

Chair Cox asked the Board if they want to discuss the budget. He said he has some questions. He asked the Board for comments.

County Manager Don Adams and Commissioner Leys talked about his recommendation for WCC with the difference being \$4,652 and reviewed their request. They further talked about funding the \$6,800 as much as possible.

Commissioner Smith said regarding page 2 of the budget message about personnel, he was pleased that the County employees were considered and the longevity plan change.

Chair Cox and Commissioner Smith talked about the proposed cost-of-living increase and the proposed change in longevity.

Chair Cox said that everything else seemed to have gotten in the way. He stated that he is pleased with the package and supportive of it.

Commissioner Goudreau echoed both of their comments. He talked about the employees are very professional. He said that he is pleased with that portion. He talked about he thinks this is an area we need to do something about.

County Manager Don Adams talked about if the Board will look at the proposed longevity change this year and next year, it will be a morale booster with the employees.

Chair Cox and Commissioner Leys pointed out the insurance too.

Commissioner Smith and County Manager Don Adams talked about Randy Blankenship is coming to talk about a proposed fee category for RV parks.

Commissioner Smith said he would like to hear from the people tomorrow night.

Commissioner Goudreau said that's really only fair because the Board needs to hear from everyone.

Chair Cox talked about the insurance portion is done.

Commissioner Leys stated her appreciation for Don Adams' work on personnel reduction and realignment to save money.

County Manager Don Adams said he wants to give credit to Randy Blankenship. He explained that he asked him to justify the numbers and said he can't.

Commissioner Leys informed the Board that she had asked Don Adams to do a salary study of all of the department heads of the counties included in the comparison provided by the Board of Elections.

County Manager Don Adams explained that it's going to be pretty consistent using those counties on the letter from the Sate Board of Elections. He used examples. He said that Board of Elections is pretty much where all department head's are.

Commissioner Davis asked what happens if we don't do it.

County Manager Don Adams answered that's why the Board has a County Attorney. He talked about her unofficial opinion that she has discussed with him, which he has asked her to write. He talked about the word commensurate and that doesn't include longevity. He further talked about one was hired in 1994 and 2001 and used those as examples.

Chair Cox talked about her increase in salary of 2%.

County Manager Don Adams talked about taking the longevity change and 2% cost of living increase, the difference is really \$1,875.

Commissioner Smith pointed out for everyone to keep in mind the employees that received a bump in salary in 2009/10 and Board of Elections got it in 2010/11.

Commissioner Leys and County Manager Don Adams talked about the amount of the increase of approximately 5%. They discussed the people who haven't had any salary increase since 2008/09. Chair Cox said the Sheriff's Department didn't come ask. County Manager Don Adams talked about addressing them all or don't address any. They talked about what happened then with the 2009/10 salary adjustments. Commissioner Davis said he supports across the board when looking at salaries. County Manager Don Adams explained there are times we looked at every job description and everything but the Board has to look at six figures for those conversations.

Commissioner Smith made a motion to adjourn the meeting at 8:10pm. Commissioner Goudreau seconded the motion. Vote 5:0.

Respectfully Submitted,

Karen Evans
Clerk to the Board

Attest:

Larry Cox
Chairman