

The Alleghany County Board of Commissioners reconvened the meeting from June 14, 2012, on Monday, June 18, 2012, at 1:30pm 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 1:30pm. Chair Richardson explained that each presenter has 10 minutes because there are several groups to be heard.

Dr. Kim Mattox, Assistant Superintendent, explained that currently their fund balance is higher than normal because of cutting 50 positions over the years. She explained the impact of a 5% reduction or 10% reduction would do to them. She said that they understand the challenges that the Commissioners face.

Cindy Holder talked about cuts that may occur mid year. She addressed their fund balance has increased from \$900,000 to \$2,200,000 and expects to add another \$100,000 this year. She explained how this occurred and the increase has been intentional. She reviewed the different programs that funds are gone and the impact of those lost funds. She talked about in January 2013 the federal government is reducing a program 10%. She further talked three years of spending at this level, and they will have no fund balance. She talked about if there are cuts from local and federal they could use half of their fund balance this year. She requested that the Board not make additional cuts to Alleghany County Schools and explained that additional cuts will hurt.

John Hedrick came before the Board about the Alleghany County library. He explained that their current appropriation is \$159,902, 10% cut is almost \$16,000, and 5% cut is almost \$8,000. He explained that with \$16,000 they would lose their maintenance of effort. He explained what that means by maintenance of effort concerning State funding. He said that the 10% cut would hurt, and the 5% cut may be manageable. He explained that cuts would be an elimination of a job at Alleghany County library and would have to look at the book budget lines. He said that he is sure that cuts will have a negative impact on the Golden Leaf application.

Commissioner Smith and John Hedrick talked about what the other counties/towns are doing in regards to the library's budget requests.

Dare Stromer, BROCC, explained that a 5% cut would hurt them, 10% cut would be devastating and elimination would be devastating. She further explained that cuts would be to the Head Start area. She talked about the CDBG grant, and the job will be in jeopardy. She thanked the Board for their time. She asked the Board to please consider their request.

Commissioner Smith and Dare Stromer talked about the round-up program through Blue Ridge Electric. She further talked about the program, it is \$15,000 and CDBG provides the community assistance program.

Genia George, Arts Council, talked about she was here 10 days ago. She explained the Alleghany arts council has been in existence for 44 years. She talked about the items that the arts council provides to the County. She further talked about 49¢ assists the arts council that provides funding for several programs and explained the programs. She talked about a report released recently about the importance of arts in the communities. She reiterated that 49¢ per capita is what the arts council receives. She said that the Board has the authority to make exceptions to the proposed decreases. She further said that surely the Commissioners would not want to see Alleghany County be the only county in the state without an arts council. She explained that any cuts would increase that as a probability.

The Board took a brief recess at 1:51pm.

Jayne Phipps Boger, Wilkes Community College, provided papers to the Board and thanked the Board for the second opportunity to present. She talked about they view themselves as an investment. She pointed out highlights for 2011/12. She talked about their assistance with training regarding rescue/fire/police. She further talked about they have done everything they can to save money and any cuts will be in student services.

Chris Robinson, Wilkes Community College, stated the appreciation and opportunity to work with County and for the continued support. He explained that according to the North

Carolina General Statutes counties are responsible for operations in the county and any cuts will be to the operations because they have already cut other areas. He talked about the amount of cuts for a 5% cut and 10% cut plus cuts would be that they would not be there at nights. He said that they will do whatever they can. He reviewed the items that the State funds and local funds can support. He said that they do appreciate the long-term support of the Campus. He talked about they are proud of what they do, and they served 1,150 last year. He said that Dr. Burns could not be here because of the short notice.

Chair Richardson and Jayne Phipps Boger talked about they have no fund balance for Alleghany County because they spend everything they get. She talked about the County Manager and Maintenance have helped with the facility. Chris Robinson explained that that the Alleghany Campus does not have a fund balance and the other counties have a capital outlay fund balance.

The Board took a brief recess at 2:11pm.

Karon Edwards, Council on Aging, talked about their requested budget was to make next year's budget work because of the increased costs of the meals. She explained the amount of the 5% cut, and they would have to look at the programs in Glade Creek and Piney Creek including may have to change to quarterly or do a social visit. She talked about the level 1 is basic housekeeping, level 2 is where a nurse goes into home, and they would have to look at cutting housekeeping services. She explained the impact of a 10% cut where they will have to eliminate Glade Creek and Piney Creek plus not go into Laurel Springs and have to limit the seniors meals, still have to look at limiting level 1 services and limit the number of people served in Sparta. She said that cuts will not cut services to home-delivered meals.

Chair Richardson and Karon Edwards talked about home-delivered meals are delivered by volunteers. She explained that they can ask for mileage reimbursement.

Commissioner Smith talked about the amount of different in the meal prices. Karon Edwards talked about they got more bids, T&K Foods can take on the contract this year, which will save \$3,775 in the actual amount they pay. They talked about the price per meal with the High School is \$3.60 and T&K Foods is \$3.50, which is still an increase over the current year.

Pat Polley stated her appreciation for the opportunity to speak. She reminded the Board about the Home and Community Care Block Grant from the Federal government and explained the purpose of the grant. She reiterated that it helps to keep seniors out of nursing homes. She encouraged the Commissioners to drive by, their parking lot is full. She requested that the Commissioners keep the funding at the previous year's level and thanked the Board for considering their request.

Donna Key, Wilkes Center for the Deaf, explained that they have received 20 calls from this area. She further explained that with Alleghany County's money they broke even on their expenses. She explained that the money helps with interpreter services.

Commissioner Smith and Donna Key talked about most calls are for interpreter services and hearing aids. She explained that they provided services for 6 other than referrals.

Darlene Douglas, Alleghany Group Homes, talked about they already had to take a 7% cut to get their contract. She talked about the possibility of taking away meals. She said that she knows that these are hard times. She asked that the Board to make the minimal of impact as the Board can.

Tammy Taylor, Appalachian Senior Services, talked about the services that they provide including foster grandparents and senior companions. She explained that the seniors get a \$2 reimbursement for their meals at schools and a mileage reimbursement. She explained that they are funded by a federal grant that they have to have a 10% match to keep the grant and they use the County for the match. Sherry Lambert talked about the foster grandparent program and explained what they do. She talked about the foster grandparents get \$2.65 per hour reimbursed for out of pocket expenses. She used an example of a foster grandparent at Glade Creek School from a teacher's point of view and another example in Sparta School from the assistant principal's point of view. Debbie Welbourn talked about the senior companions program and services provided including transporting a senior on chemo, blind individuals, also have those that are a one-person family caregiver as example. She talked about providing respite care two days a week. She shared a couple of stories from clients in the senior companions program.

Chair Richardson talked about both of these programs are in the same budget. Debbie Welbourn said yes they are. Chair Richardson clarified that a portion is used as a match for a grant. Tammy Taylor agreed. Chair Richardson asked what happens if there is no money. Debbie Welbourn and Tammy Taylor talked about services would have to be cut in Alleghany County.

Shelly Foreman, Smoky Mountain Center, thanked for the Board for the opportunity to speak about the impact of funding reductions and for being a strong supporter of mental health. She talked about it has been a difficult year for mental health. She further talked about she talked with Billy West at Daymark. She explained the staff that Daymark has in Alleghany, Smoky's role and vast majority of people in Alleghany County don't have any other resources for treatment besides Alleghany County money and Smoky money. She further explained that Daymark is running at a deficit of \$50,000 for Alleghany currently. She talked about the current proposed State budget shows a decrease to mental health. She explained that Daymark plans to maintain the staff here, and cuts may mean a reduction of time for treatment. She talked about Daymark leases space from the County, and if Daymark receives a 5%-10% cut then an increase in rent. She talked about they really need the building at the rent that it is currently. She stated that Daymark and Smoky are committed to maintaining services in Alleghany County, and cuts may mean that people have to wait. She further stated that an increase in rent would cause problems.

Chair Richardson and Shelly Foreman talked about it is the County's responsibility to ensure that the citizens have access to mental health services. She explained that 122 C says that counties must maintain funding and in order to reduce it the Board has to have a similar reduction of all county departments/programs and provided an example. They talked about Smoky will not allow Daymark to leave one county because it isn't financially feasible. She talked about they are hoping that next year they will break even. She reiterated that they will not allow that but if they did then they will find another provider for the area.

Commissioner Smith and Shelly Foreman talked about Smoky serves 15 counties, the State funds are allocated according to population and Daymark serves 12-15 counties as a provider organization. She talked about as of July 1 they will begin administering Medicaid monies. They talked about the number of LME's in the State, and the State wants to reduce that number.

Commissioner Cox and Shelly Foreman talked about \$50,000 is Daymark's year-to-date loss for Alleghany County.

Tom Dunn, Red Cross, explained their services during disasters including Alleghany County averaged 2-3 families assisted in a year. He talked about they provide refreshments for fire/rescue members if an event is over 4 hours. He further talked about their services to the armed forces, and Alleghany County averages 4-6 cases per year. He explained that they don't have a lot of fundraising going on. He stated that he has met 3 volunteers and taking on 3 new volunteers.

Chair Richardson and Tom Dunn talked about if Alleghany County considered no funding to the Red Cross, Red Cross would not stop operations in Alleghany County, and they would have to find the funding from another county. Tom Dun explained how he would call others to assist in Alleghany County. Tom Dunn further explained that they have made it a point to provide consistent services regardless if the house burns in Glade Creek or Winston Salem.

Jim Smith, Wellness Center, talked about they have cut where they can, and raised funds. He provided information to the Board. Drew Edwards explained that they are trying to become a community center in what the community wants, having a lot of programs and events, working to get the seniors into the Wellness Center, new program manager who is certified for matter of balance/range of motion, working on programs for the youth like Power Hour, getting really close to having a balanced budget, used an example of the new pool structure, and wanting to look at going into communities to provide additional wellness activities. Jim Smith talked about a few years ago ranking poorly on heart disease, cancer patients, and childhood obesity rates. Jim Smith asked the Board to look at the handout, and hopes the Board finds a way to help them.

Jane Wyatt, Health Advisory Council, talked about they are a group of volunteers that work on the health of the county, work with other groups in the community, with one example of the Be Healthy/Be Happy annual event. She said that they understand that the budget is really tight. She explained that a reduction of money will be a reduction of services to the groups that they help.

Chair Richardson declared a brief recess.

Pam Sizemore, Family Resource Center, talked about the number of people that they provide services to, if they are not able to provide the services then it goes back to DSS. She provided a letter that shows that DSS does not have the manpower. She explained the impacts of a 5% cut of that they still could provide services, cuts will be to transportation services and material costs. She talked about any more cuts than that they can't promise services will be provided.

Commissioner Cox and Pam Sizemore talked about the \$450 cut

Chair Richardson and Pam Sizemore talked about if they receive no funding it will fall back on DSS because it is a required service and these are normally families that can't pay for the services otherwise.

Chair Richardson declared a brief recess at 3:31pm.

Beth Lovette, Health Department, talked about understanding the challenges the Board is facing. She said that she thinks the Board understands their needs from the conversations last week, and they are getting a handle on the decreasing fund balance. She talked about the impact of losing funding from Alleghany County. Debbie Joines talked about the public health's motto, explained that they do all disease outbreak investigations and provided a history of public health by keeping diseases at bay.

Chair Richardson talked about the majority of people coming into the health department are dependant upon the health department. Debbie Joines talked about they see everyone from indigent patients to people with insurance. She explained that the Kate B. Reynolds grant will allow them to start accepting uninsured patients.

Chair Richardson asked Beth Lovette about environmental services. Beth Lovette talked about it is in direct relationship with the economy, wants to be able to respond to the economy when it goes back up, and they don't want to be the slow down for development in Alleghany County. Chair Richardson and Beth Lovette talked about that is what happened in Ashe and Watauga.

Commissioner Smith and Beth Lovette talked about the 5% to 10% cut to the health department besides the dangerous trend in their fund balance, she feels like they would be going backwards to an area they don't need to, would have to look at staffing, looking at CAP, would have to evaluate the needs and look at environmental health issues.

Commissioner Cox and Beth Lovette talked about the other counties current budget discussions for next year; Ashe is giving the 5% increase requested, and do not know about Watauga yet.

Chair Richardson declared a brief recess at 3:48pm.

Jim Heitzenrater, Alleghany Memorial Hospital, provided current statistics regarding the Hospital. He talked about they have become unique with the situation because of our location. He further talked about the board here is a very strong board and educated board working with the leadership team since his time here, the support and amount of information that Quorum provides is very important, what they are doing and the moving forward plan, putting together their plans, explained items that they are doing, need time, need stop-gap monies because it makes life a lot easier, reimbursement that is coming up, this would help them get where they need to go, and working with the current medical staff that is here. He reiterated that the stop-gap monies are very important for them.

Commissioner Roten told Jim Heitzenrater that he has heard a lot of good things about him, and to keep it up. Jim Heitzenrater said thank you, and the next few months will be hard.

Jim Heitzenrater talked about viewing doctors as customers and should be viewed as partners, and view the County as a partner whether the money is provided or not.

Chair Richardson talked about the need to move forward with what the Board has heard today. He stated the need to be ready by the public hearing. He talked about when to meet

again. He said that there are 8 agencies that he cannot support cutting at all, which doesn't count the hospital. He further said that this is a one-year stop-gap issue. He said if this takes a tax increase, so be it.

Commissioner Smith said the other day that he didn't want to come in with lines drawn in the sand, and listening today there are needs in the county. He said that he is not very interested in looking at the County employees, asked the citizens to step up last year, and he is still looking at possible cuts in special appropriations.

Chair Richardson and Commissioner Smith talked about ways to proceed today.

Chair Richardson talked about getting as much done as possible today. He said that he doesn't want to see council on aging, Wilkes Community College, library, fireworks, center for deaf, Smoky Mountain Center, Red Cross, health department cut and wants to give money to the hospital.

Commissioner Roten said he is willing to consider anything, and he wants to see the Board balance the budget without raising taxes. He talked about some Commissioners said that employees are off limits but they are the bulk of the expense. He stated that the only thing he will consider a tax increase for is the hospital but he would like to see some stipulations put on whatever the Board does. He said he cannot meet tomorrow. He talked about things that are off limit to the Chair isn't off limits to him.

Chair Richardson talked about trying to find \$90,000 for the fire commission, which is a little over  $\frac{1}{2}\phi$ .

Commissioner Roten talked about maybe some time in the future there may be a fire district tax in order for them to be able to get out of fundraising. He explained that was discussed in the fire commission, and they feel like now isn't the time to talk about that but it is something in the future that will work for them.

Chair Richardson talked about Avery County is raising their fire tax by  $1\phi$ .

Commissioner Cox said that he agrees about the fire tax and now may not be a good time. He talked about the last time he proposed a middle of the road proposal. He said that people have said we need to keep the hospital but don't raise the taxes. He further said that this is the best he could do, and hasn't changed it. He reiterated his proposal of cutting special appropriations 5% with the exception of the fire departments. He talked about the Board stepped up and built the training facility, maintain the funding for them, he wasn't able to find the \$90,000 but that doesn't mean he doesn't support it. He reiterated he proposed 5% cut to the schools. He talked about heard from the schools that they are in good shape and could weather the 5%. He explained that the Board has not ignored the schools and provided examples of the Glade Creek sewer project and the Piney Creek sewer project. He talked about County employees have stepped up by cuts in their insurance, and citizens have stepped up with the  $2\phi$  tax increase last year. He said he doesn't think the Board needs to walk away from the hospital. He reiterated his proposal has a \$100,000 for the hospital but it is something. He said that the Board wants to help and unless the Commissioners raise taxes, they can't help. He explained he tried to spread the cuts around, cut the New River reserve in half, proposed hiring freeze of filling positions. He said that he started out with a running fund balance of \$634,948, ended up with \$345,598 then added the hospital back, which would be tied to something specific, ended at a fund balance of \$445,598. He explained that 50% of tax bills go out of the county. He said that his proposal maintains no tax increase.

Commissioner Goudreau talked about people are hurting, can't see the County raising taxes and increasing the budget. He said that the Commissioners cannot ask the citizens to spend additional money. He reviewed his proposal of cuts of 10% and total cuts to some. He talked about the need to take a strong look at special appropriations. He further talked about the need to look at the number of employees and at DSS because this Board added 4 people at DSS. He said that the Board cannot continue to do that. He said that he will not support a tax increase in any way.

Chair Richardson said that the Commissioners has heard from each Commissioner, Commissioner Cox has his proposal, and Commissioner Goudreau has his proposal. He talked about starting down the line with the library looking at the three proposals.

Commissioner Roten and Chair Richardson talked about meeting times for another meeting.

Commissioner Smith asked is the Board going to talk about special appropriations.

Chair Richardson said that seems like where the Board is going.

Commissioner Roten asked where the hospital fits in, and his proposal is \$500,000. He said that he thinks all of the Commissioners would devote the time needed for the budget.

Commissioner Smith talked about the people that came into today, and he would personally prefer to talk about it on Wednesday.

The Board agreed to meet on Wednesday, June 20 at 8:30am.

Chair Richardson recessed this meeting until Wednesday, June 20 at 8:30am.

Respectfully Submitted,

Karen Evans  
Clerk to the Board

Attest:

Ken Richardson  
Chairman