

The Alleghany County Board of Commissioners met in special session on Wednesday, June 18, 2014, 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.

Chair Cox called the meeting to order. He summarized last night's meeting including the County Manager provided the fee schedules.

Chair Cox and County Manager Don Adams discussed the fee schedules are proposed with no changes recommended and the procedures to pass them.

Commissioner Davis and Clerk Karen Evans talked about the tire fee at the Transfer Facility.

Commissioner Smith and County Manager Don Adams talked about how well selling mulch from the last wood waste grind went including the quality of the mulch was better, and got rid of the pile.

Chair Cox asked for additional comments about fee schedule.

Commissioner Leys talked about EMS using the debt set-off program for collections. County Manager Don Adams said he will talk to Linda Edwards about it

Chair Cox asked about taking action tonight or wait until the public hearing to vote on the fee schedules.

Commissioner Smith made a motion to approve the fee schedules as written. Commissioner Davis seconded the motion. Vote 5:0.

Chair Cox talked about a couple of things to revisit from last night; the Hospital and the Wellness Center. Commissioner Leys explained she talked to Drew Edwards today, and they are almost breaking even, which is remarkable. She reviewed their numbers from last year. She talked about their memberships numbers, number on the sliding scale, and it is being well used and being well managed. Commissioner Smith and Commissioner Leys talked about their debt.

Chair Cox asked if there is a proposal regarding the Wellness Center. Commissioner Leys said she is not recommending a change.

Chair Cox asked Commissioner Leys does she want to revisit Alleghany Memorial Hospital. Commissioner Leys said she wants to reiterate the economic impact of the Hospital. She said the County Manager's recommendation of \$100,000 isn't going to make or break them from their \$200,000 request. She stated she is not going to make a recommendation to increase the funding because of the \$125,000 cut from the State. She further stated the extra money could help, and they are losing around \$100,000 a month on non-paying patients with the majority being Alleghany County residents. Chair Cox and Commissioner Leys talked about they have already lost \$440,000.

Chair Cox asked the Board if there are any other areas discussed last night to go back over.

Commissioner Leys said the only issue she would like to discuss is completing a salary study next budget year, with the understanding that we are not required to take their recommendation. Commissioner Smith said we would still have to pay them. Commissioner Leys said we paid around \$15,000 in 2003. Commissioner Smith said he is thinking it would be closer to \$25,000 now. Commissioner Smith said he is pleased with the 0.2 longevity in the budget for employees, would like to see it get to 0.5 then look at possible grade studies. Commissioner Leys explained she would like to see a salary study completed for the next fiscal year's budget, can never implement the recommendations all at once, and complete it in parts over several years.

Commissioner Davis said he wonders what we've got to face next year with additional cuts. Commissioner Leys mentioned \$125,000. Commissioner Davis said that's just one thing.

Commissioner Leys said if the Board keeps ignoring this is; it's going to get worse. Commissioner Smith said it is worthy to look at but immediately, he's not sure. He talked about the longevity and insurance is a good show of faith. Chair Cox said he thinks the employees would say the insurance is good, and maybe look at the salary study in the 15/16 because he would like to see the 0.5 first. Chair Cox asked for a show of hands to put the salary study in this budget year. Commissioner Leys raised her hand. Commissioner Goudreau talked about the Board can do a budget amendment at some point but it will be harder, something needs to be done, next year will be

hard like Commissioner Davis is talking about with cuts from the State, revaluation and revenue-neutral rate, concerned with a lot of things in the budget but scared going forward, trying for minimal impact the best he can, agrees the employees are the greatest asset, would love to get them where they need to be, and the insurance is good. Commissioner Leys said she is hearing maybe delay it to see how things shake out with the State and revisit it again later in the Fall. Commissioner Goudreau said it's a possible direction to go, but he doesn't think the Fall election will change the General Assembly unless you want to carve into this budget to find the money. Chair Cox talked about considering this the first of the year.

Commissioner Leys mentioned capital. County Manager Don Adams explained he talked to Grayson County, their grant came from the Virginia Tobacco Commission, and Karen Evans put the question on the Clerks' listserv and the answers received back was no one had used a grant for technology or knew where to get a grant for technology. Chair Cox asked what Grayson County has. Commissioner Leys answered they have 2 wide screens for viewing presentations, microphones, commissioners have iPads, and it's a really nice set up. Chair Cox and Commissioner Goudreau mentioned other counties do too; Ashe County and Watauga County. County Manager Don Adams said if this Board is interested in something like that he will do it. Commissioner Leys said find a grant for it. County Manager Don Adams explained the Virginia Tobacco Commission spends their money on a lot of different things, and North Carolina's tobacco funds don't.

Chair Cox asked Commissioner Leys about capital. Commissioner Leys said if the Board has to cut, that is somewhere to start.

Commissioner Leys said after all of this is done she wants to ask the County Manager to get prices for a salary study. County Manager Don Adams said his response is when; reality is to come after the election. He explained that this is a major step to identify pay grade changes; he thinks it needs to be the board that will be considering the funds, explained why and the timing regarding the election. He stated that he recommends doing the study with the people who will be here for a couple of years. Commissioner Goudreau talked about getting the quotes and present them in January. Chair Cox talked about if the County does a study and finds across the board that people are underpaid there will be some expectation for pay adjustments. Commissioner Leys talked about addressing some of it but can't everything. Chair Cox said we have some things in place; longevity, insurance and wellness program. County Manager Don Adams explained the groups will ask what is the scope of services from underpaid to proper rankings, and that is the next real conversation to get a proper quote to have a clear scope of service. Commissioner Leys talked about it is easy to call around to get information and look at the salary book but the need for an outside group to review it. County Manager Don Adams explained that is where it gets more interesting and difficult because of the different hybrid types of positions we have. He used an example of nowhere else having a level 3 inspector/planner in one position. Commissioner Leys said she knows because Alleghany County schools are the same way.

Chair Cox asked for additional comments about the budget.

Commissioner Smith asked about the Medicaid hold harmless \$125,000 included in fund balance and still being in the 20% range. County Manager Don Adams explained we are starting at 24%, generally \$100,000 is 1% in the fund balance, if everything is used it would be around 16%, but we won't use it all and with all things being equal we will be around 20%. County Manager Don Adams provided this year's example where we started, ended and not using any of the fund balance.

Chair Cox asked for additional comments.

Commissioner Smith talked about the public hearing is on Wednesday, June 25 and then a meeting on the 26th to finalize it.

Chair Cox asked if there is anything else. No one spoke.

Chair Cox asked if another meeting is needed before the public hearing. No one spoke.

Being no further business, Commissioner Davis made a motion to adjourn the meeting at 7:06pm. Commissioner Goudreau seconded the motion. Vote 5:0.

Respectfully Submitted,

Attest:

Karen Evans
Clerk to the Board

Larry Cox
Chairman