

The Alleghany County Board of Commissioners met in regular session on Monday, October 3, 2011, at 6:30pm in the Board Meeting Room of the County Administration Building, 348 South Main Street, Sparta, North Carolina.

Present: Chair Ken Richardson, Vice-Chair Tom Smith, Commissioner Larry Cox, Commissioner John Goudreau, Commissioner Steve Roten, County Attorney Donna Shumate, County Manager Don Adams, and Clerk to the Board Karen Evans.

Chair Richardson called the meeting to order, welcomed everyone, led the Pledge of Allegiance and a silent prayer.

Chair Richardson stated that the agenda needs to be amended to move Item 7 under General Business to F.2. and add Smoky Mountain Center as F.1.

Commissioner Goudreau made a motion to approve the amended agenda for this October 3, 2011, meeting. Commissioner Cox seconded the motion. Vote 5:0.

AGENDA
Monday, October 3, 2011
6:30 PM

- 6:30 Meeting Called To Order, Pledge of Allegiance and Silent Prayer
Motion on Agenda for October 3, 2011, meeting
Motion on Minutes for September 19, 2011, meeting
- 6:35 A. Public Comments—30 minutes
B. Public Hearing
RE: E-911 Road Name
C. John Blevins
RE: Income Maintenance Caseworker Open Position
Processing Assistant V Open Position
D. Cherry Lane Volunteer Fire Department Annual Report
E. General Business
1. Vocational Rehabilitation Reimbursement Budget Amendment
2. Social Services Budget Amendment
3. Farmers Market Budget Amendment
4. BREMCO Easement/Glade Creek Water and Sewer
5. Alleghany County Joint Community Advisory Committee Appointment
6. Occupancy Tax—TDA Resolution
7. New River Behavioral Healthcare—160A Agreement (moved)
- 8:00 F. Public Hearing with NC Department of Transportation
RE: 2011-12 Secondary Roads Construction Program
F.1. Smoky Mountain Center (added)
F.2. New River Behavioral Healthcare—160A Agreement (moved)
G. Adjourn

Commissioner Smith made a motion to approve the minutes for the September 19 2011, meeting. Commissioner Goudreau seconded the motion. Vote 5:0.

Chair Richardson opened the public comments' portion of the meeting and asked for public comments.

Dennis Smith talked about discussions from the last meeting concerning increasing the occupancy tax and creating a Tourism Development Authority (TDA). He talked about some of the Commissioners think the increase in the occupancy tax will increase tourism and asked why not ask the General Assembly to increase it more. He further talked about tourism and travel are affected by gas prices plus in this economy people will cut back and not spend excess. He said if Alleghany County is to have an economic future, the people of Alleghany County will have to build it themselves. He asked the Board to build something that is needed. He talked about an initiative with the Extension Service and Golden Leaf regarding the campaign to buy local foods. He gave examples of how the flow of food could impact people. He asked if the Board can create a water authority and a TDA, why the Board couldn't create a local food authority to make a self sufficient economic food system. He gave an example of a Milwaukee facility and what they do. He talked about the great depression and how it impacted the US. He further talked about what could happen in a food storage and provided examples. He read a prayer that was offered in the United State Senate.

Chair Richardson asked for additional public comments. None were received. He closed the public comments' portion of the meeting.

Wendy Williams, E-911 Coordinator/Mapper, presented one road name for the Board's approval; Mountain Dew Drive. She explained the location of the road.

Chair Richardson opened the public hearing regarding the 911 road name at 6:46pm and asked for public comments. None were received. He closed the public hearing at 6:47pm and reconvened the regular meeting.

Commissioner Cox made a motion to approve the road name as presented by the E-911 Coordinator/Mapper. Commissioner Goudreau seconded the motion. Vote 5:0.

John Blevins, Social Services Director, presented information to the Board. He explained that that he is asking for permission to fill the vacant positions, the money is in the budget for the two positions. He further explained that he has been moving people around in the department to fill open positions. He explained the Medicaid Income Maintenance Caseworker and the caseload plus changes coming to the program. He further explained the Processing Assistant V position and the current caseload.

Commissioner Cox made a motion to approve the two positions that he has open. Commissioner Smith seconded the motion.

Commissioner Cox and John Blevins talked about there are no new monies because everything has already been budgeted.

The Board voted on the motion on the floor. Vote 5:0.

Brian Edwards with Cherry Lane Volunteer Fire Department came before the Board of Commissioners to present their annual report. He reviewed their statistics including the number of calls responded to, types of calls, mutual aid calls, number of first responders, number of wreck calls responded to. He explained that next year they are replacing one of their brush trucks. He further reviewed the number of members and junior members. He thanked the County Commissioners and the citizens for their support.

Commissioner Smith and Brian Edwards talked about providing assistance in Surry County.

Commissioner Goudreau thanked the Fire Department for all they do and stated his appreciation.

County Manager Don Adams presented budget amendment General Fund #5 in the amount of \$6,857. He explained that this is for the vocational rehabilitation program for the summer interns. He further explained that this is 100% funded by the vocational rehabilitation program.

Commissioner Roten made a motion to approve budget amendment General Fund #5 in the amount of \$6,857. Commissioner Cox seconded the motion. Vote 5:0.

County Manager Don Adams presented budget amendment General Fund #6 in the amount of \$32,217 for the Foster Care Social Worker position that the Commissioners had previously approved. He explained that the reimbursement is \$21,102 for the position and appropriated fund balance is \$11,115.

Commissioner Roten made a motion to approve budget amendment General Fund #6 in the amount of \$32,217. Commissioner Cox seconded the motion. Vote 5:0.

County Manager Don Adams presented budget amendment General Fund #7 in the amount of \$20,000. He explained that this is to budget for the famers market's grant. He further explained that this will place the monies in the Cooperative Extension Service's budget.

Commissioner Smith made a motion to approve budget amendment General Fund #7 in the amount of \$20,000. Commissioner Roten seconded the motion. Vote 5:0.

County Manager Don Adams talked to the Board about a utility easement for Blue Ridge Electric. He explained that the easement will bring power to the sewer site. He further explained that there may be one additional easement needed to the well site. He said that he can show the Board the drawing if the Board would like. He asked for approval for the septic easement and then an additional well site easement, if needed.

Commissioner Goudreau made a motion to approve the septic site easement. Commissioner Cox seconded the motion. Vote 5:0.

Chair Richardson asked for a motion about the easement for the well site.

Commissioner Smith made a motion to grant the easement for the well site. Commissioner Goudreau seconded the motion. Vote 5:0.

County Manager Don Adams presented a letter from High Country Council of Governments asking Leslie Choate be reappointed to the Alleghany County Joint Community Advisory Committee for an additional three-year term. He explained the purpose of this Board.

Commissioner Roten made a motion to reappoint Leslie Choate to the Alleghany County Joint Community Advisory Committee. Commissioner Cox seconded the motion. Vote 5:0.

County Manager Don Adams talked about a proposed resolution to create the Tourism Development Authority (TDA) for Alleghany County. He explained it is tied back to the ordinance itself. He thanked Karen Evans for her work on the resolution.

Commissioner Cox and County Manager Don Adams talked about Section 1. The County Manager read Section 1 and said he hopes there will be more conversations about that section.

Chair Richardson and County Manager talked about the language of Section 1. They further talked about passing this resolution will follow what needs to be done to implement the occupancy tax. The County Manager talked about the resolution and the ordinance needs to be voted on at the same time if the Board wishes to proceed. Chair Richardson and County Manager talked about the effective date and the creation of the TDA.

Chair Richardson asked about the TDA resolution.

The County Manager reviewed the entire TDA resolution and read Section 3. He explained the purpose of the TDA including the TDA will follow the budget as approved by the Alleghany County Board of Commissioners. He read Section 4 of the resolution.

Commissioner Roten made a motion to approve the ordinance to establish an occupancy tax within Alleghany County effective December 1, 2011. Commissioner Cox seconded the motion. Vote 5:0.

Commissioner Cox made a motion to approve the TDA resolution. Commissioner Roten seconded the motion.

Chair Richardson talked about the recommendations to be received in the County Manager's office by October 31.

The Board talked about the language in Section 1.

The Board voted on the motion on the floor. Vote 5:0.

Chair Richardson recessed the meeting at 7:21pm.

Chair Richardson reconvened the meeting at 7:40pm.

County Manager Don Adams provided a history of mental health reform which created Local Management Entities (LME)'s and where the New River Service Authority (New River) was created by a 160A Agreement. He explained that the 160A Agreement made between Ashe, Avery, Alleghany, Watauga and Wilkes counties. He provided an update about what has been occurring with New River over the past month. He talked about meetings that have been being held because of New River's financial problems. He further talked about the meetings were to discuss how to provide services to the consumers and limit the liability to the five counties. He said that the primary reason for Smoky Mountain Center to be present at this meeting is to provide factual financial information at the request of the Alleghany County Board of Commissioners.

Brian Ingraham and Shelly Foreman with Smoky Mountain Center came before the Board. Brian Ingraham explained they became concerned in August when New River was asking for monetary advances to meet payroll. He further explained that they were concerned by the materials that were provided. He explained that they tried to get information about New River's cash flow and business plan and wasn't successful. He continued down the timeline including Crossroads LME advanced New River \$1.1 million dollars in September which provided a little bit of relief, and they could meet payroll, September 22 DMA ceased New River's Medicaid payments and DMA will be conducting an audit. He

said this is a very serious situation. He further guessed New River receives \$20 million in Medicaid revenues annually. He stated that these combinations of things aren't good. He said that they began meeting with the managers, 160A language of financial responsible to the counties, more alarming to the counties and thinking about how to best move forward.

Shelly Foreman talked about their communication with New River and having their audit completely redone.

Brian Ingraham talked about they have given New River a list of financial questions about the financial situation and have received no response as of today. He talked about how much money they have lost in the past 3 years. He further talked about an organization that has no fund balance to make payroll and the State is doing an audit because of Medicaid fraud. He said that conversations with the counties continued about whether to continue with the 160A or do something to limit the liability to the counties. He further said that he learned this morning that a partial payment from Medicaid would be received. He explained that on Thursday morning an email was received from the New River CEO stating that they would be ceasing operations, he tried to reach the CEO, has not have been able to get direct information from New River, this information came from a consultant working with New River. He explained the spreadsheets; total needed for payroll and taxes is \$1.8 million, amount of the higher priority of expenses that must be met, next is other known costs, total cash required is \$2.5 million, reviewed the sources of cash in the amount of \$1.6 million, net deficient is \$910,000, New River county contribution tab according to the 160A agreement and this is the math to show each of the counties to cover the expenses in October. He said that this represents a snap shot of the situation.

Chair Richardson asked for questions from the Commissioners.

Commissioner Roten asked if there are other liabilities for Alleghany County.

Brian Ingraham and Shelly Foreman talked about there are \$1.3 million dollars in liabilities that is known at this time. He talked about there may be some other amount for the annual leave payroll if New River employees transitions over and past that item he doesn't know. He explained that is the kind of information that they have been trying to gather but hasn't been successful.

Commissioner Smith asked about current outstanding accounts payable regarding health insurance related to NCACC.

Brian Ingraham talked about they have an insurance debt in the amount of \$550,000, and New River set up a repayment plan. He stated that is not in the previously mentioned \$1.3 million liability.

Chair Richardson thanked Brian Ingraham and Shelly Foreman for coming to this meeting. He stated that this is a good overview.

Commissioner Cox stated as a New River board member he thanks them for coming. He further stated his appreciation and helping us go through this. He said that as a New River board member and as a County Commissioner he is very proud of the employees and will do everything he can to maintain the employees and the services provided.

Chair Richardson declared a brief recess at 8:05pm.

Chair Richardson turned the meeting over to Scott Gallman with North Carolina Department of Transportation (NCDOT).

Scott Gallman introduced the NCDOT staff. He explained how the priority system works and is updated every four years. He reviewed how they count every structure on the road and issue points accordingly with the highest point roads being first on the priority list. He started explaining the program for FY 2011-12 by reviewing the funding allocations. He continued explaining the program including the roads that would be paved for FY 2011-12. He further explained spot stabilizations, paved road improvements, replacement of small bridges with pipes and safety projects categories. He stated that the secondary road program is subject to the availability of funding, right-of-ways, and environmental review. He reiterated that the proposed funding allocations are projections, continuing down the priority list to fund additional secondary road projects if additional funding is available and continuing down the priority list if secondary roads cannot be paved due to the inability to obtain right of way. He asked for questions from the Board.

Commissioner Cox and Scott Gallman talked about SR 1434, Clark Road. Scott Gallman talked about different ideas they worked with about the flooding on the road.

Chair Richardson opened the public hearing at 8:22pm about the NCDOT Secondary Roads.

Susan Miles stated her appreciation for the information presented. She asked how many roads are on the paving list and is the list available.

Scott Gallman answered yes there is a list available. He stated that there are several roads on the hold list until proper right of way can be obtained. He further stated that the program is currently at road 12 and there are 48 roads.

Scott Gallman asked for additional questions.

Chair Richardson closed the public hearing at 8:24pm and reconvened the regular meeting.

Scott Gallman reviewed the options available to the Board; concur as proposed, take no action, make recommendations.

Commissioner Roten made a motion to concur with the program as presented. Commissioner Goudreau seconded the motion. Vote 5:0.

County Manager Don Adams said he wanted to make sure everyone has the information provided; financials of New River with the amount needed for New River to make payroll on October 14, in accordance to 160A agreement showing Alleghany County's portion of \$71,232, expenses by October 31 of \$41,422 for a total of \$112,654, proposed amendment for the 160A with Ashe, Alleghany, Avery, Watauga, Wilkes. He talked about a change in the proposed amendment in section 4 since the Board last saw the amendment. He read Section 4.

Chair Richardson stated that the County Manager did a good job explaining why 160A was created. He asked the County Manager to review the amendment to the 160A agreement.

County Manager Don Adams read portions of the amendment and summarized the amendment.

Commissioner Smith made a motion to approve the amendment to the 160A Agreement contingent upon Avery, Ashe, Watauga and Wilkes counties approving the same amendment, and if approved, appoint Larry Cox to serve on the newly constituted New River Service Authority Board. Chair Richardson seconded the motion.

Commissioner Goudreau asked a question about Section 5 referring to the CEO as a he and should it not be he/she/they.

County Attorney Donna Shumate said that she isn't sure that we can adopt something different than what is before the other counties Board of Commissioners and not sure if gender makes a difference.

Commissioner Goudreau talked about the liability side of it.

County Attorney Donna Shumate said the remedy could be for the new board to open it up to both genders.

Chair Richardson asked was that ok.

Commissioner Goudreau said he has to vote on it as written.

County Attorney Donna Shumate talked about it was hard to get where we are now.

Commissioner Goudreau said he knows that.

Commissioner Roten said that he hates that it has come to this and don't like it at all.

Commissioner Goudreau said any action is a deployable action. He further said that there is future liability either way and having to decide which way is better.

Commissioner Cox explained he agrees, and it took him a little while to see the financial peril and doesn't like it at all. He talked about we are committed to provide services, need to preserve the employees and the services. He said that we have a duty to our taxpayers. He further said that we have a duty to the employees and clients. He stated that this is not a decision that we want to make. He further stated he appreciates everyone for working so hard on this. He reiterated that this is not something that he wants to do but he doesn't think there is any choice.

The Board voted on the motion on the floor. Vote 5:0.

Commissioner Cox stated that we will work to get that language changed. Commissioner Goudreau said he knows he will.

County Manager Don Adams asked the Board about discussing the financial spreadsheet.

Chair Richardson stated that he was going to ask to recess this meeting until Tuesday, October 11 at 6:30pm for that discussion.

Commissioner Cox made a motion to recess the meeting at 8:45pm until Tuesday, October 11, 2011, at 6:30pm. Commissioner Goudreau seconded the motion. Vote 5:0.

Respectfully submitted,

Karen Evans
Clerk to the Board

Attest:

Ken Richardson
Chairman