

The Alleghany County Board of Commissioners met in special session on Thursday, June 7, 2012, 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: 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 called the meeting to order. He talked about it will take three Commissioners to make any changes from the County Manager's budget recommendations.

Commissioner Cox talked about an announcement today of New River and the Division of Medical Assistance (DMA) came to an agreement about the Medicaid audit claim, DMA has accepted the suspended payments of \$645,351.67 to settle the \$2,125,928 audit claim, and New River owes nothing else on this. He further talked about this is a positive step forward.

Chair Richardson said that everyone should be appreciative of Commissioner Cox and the County Manager in regards to the settlement. He further said that this is definitely good news.

Commissioner Cox provided a copy of the settlement to Mrs. Evans, if anyone wants a copy.

Dr. Jeff Cox, Superintendent, provided information to the Board. He explained that he recently presented information to the Joint Education Oversight Committee at the State level. He discussed the summary of financial challenges from 2008 to the current time including information about the mandatory reversions each year, some specific areas with significant cuts, and ARRA funding. He reviewed the impact of budget cuts on the Schools since 2008-09, health insurance costs, and retirement costs of the matching portion increasing. He explained the annual test scores, and said the scores may be dropping a little. He talked about the 50 positions that have been cut may be starting to show. He requested on behalf of the Board of Education, students and parents that the Commissioners assist the Schools in anyway possible.

Chair Richardson talked about his view of the main responsibilities of the Board and about the voters spoke that they want a K-8 program at each of the three elementary schools. He stated his appreciation for Dr. Cox bringing this information to the Board's attention. He clarified that these cuts are beginning to hurt the students. Dr. Cox agreed and said that the test results show that along with things that cannot be measured. Dr. Cox explained that he thinks we are beginning to see the results of cuts that are going too deep for us. Dr. Cox talked about they have worked hard to get grants to assist with the cuts. Dr. Cox used an example of the afterschool program has been funded by grant funds which has ran out and will start to rely on local funds. Dr. Cox reiterated that some things you can see but hidden impacts are just as important.

Commissioner Smith asked about the State has a short session, and when will they decide on their allocation. Dr. Cox talked about following last year's schedule, and the House has already given it to the Senate so they are hopeful that by June 19 they will know.

Commissioner Smith and Dr. Cox talked about ADM is the average daily membership. Commissioner Smith asked if money comes in based on that information. Dr. Cox said yes it does, used examples of larger kindergarten classes and senior classes but normally the number stays around 1,400-1,500 students. Commissioner Smith asked how much does the Schools get. Dr. Cox stated \$6,563 for this current school year, and they get some position allotments relating to the number of students. They talked about having 107 graduates this year. They further talked about the anticipated enrollment for kindergarten and it will be down compared to the seniors that just left.

Chair Richardson went through the School's request and asked about the difference between last year and this year. Dr. Cox talked about the difference of adopted versus proposed being about \$700,000 and requested versus proposed being about \$350,000. They talked about the capital request this year versus last year. Dr. Cox explained the capital outlay budget.

Chair Richardson asked for additional comments. None were received

David Higgins came before the Board to discuss the request through the Fire Commission regarding each fire department/rescue squad's request for \$15,000 per department for their matching capital grant. He talked about they need the matching funds. He explained that these are volunteers that are asking for the monies. He reviewed the number of members per department for a total of 161. He explained the amount of debt each department has for a total of 760,717. He reviewed the amount each department receives for a total of \$275,505. He talked about 6 departments running on \$275,505 and compared it to EMS and their budget. He asked

what happens if firemen have to be paid. He said that if the Board adds \$90,000 then it is still half of EMS's budget. He explained that it costs \$9,000 to suit one fire person, fire suit is only good for 10 years, having a new training facility that they cannot use because of having to hold fundraisers. He used Glade Creek's budget of receiving County funds of \$44,000 minus \$16,000 for insurance minus \$15,000 for the matching capital grant leaves \$13,000 which does not pay their debt payment. He reiterated that they are only asking the Commissioners to fund the capital matching grant which is used to purchase fire suit protections. He reviewed the ISO ratings and insurance prices. He said they are just asking for help with the grant money, money is tight and donations aren't coming in either. He talked about all of them are spending their time fundraising. He reiterated that they are asking for \$15,000 for each department for a total of \$90,000 and there is only so much that can be asked of the volunteers.

Commissioner Roten asked David Higgins to reiterate that this is not a new request. David Higgins explained that this isn't new money because it had been coming from the 911 funds. County Manager Don Adams explained that we can no longer legally use 911 funds because of State law. David Higgins explained that they are not asking for additional money just asking to stay the same and that every department did get the grant.

Chair Richardson asked for questions or comments. None were received.

Kay Luffman came before the Board to talk about JCPC and Alleghany Connections about the budgets. She talked about JCPC funds. She explained the State allocates \$56,055 with the County matching a portion of the grant for a total of \$66,130. She further explained the programs in JCPC and activities for each program.

Chair Richardson and Kay Luffman talked about getting cut from the State last year. They further talked about having to cut the mediation program because of lack of funding. Commissioner Smith and Kay Luffman talked about the mediation program was hard to cut.

Kay Luffman talked about Alleghany Connections is a volunteer program which is the Big Brothers/Big Sisters program. She explained that this is the first year without State funding, and they are trying to keep it going. She talked about the need for liability insurance. She explained that they are also doing tutoring programs which started this year. She talked about they have seen success in all areas. She further talked about their goal is to have at least 25 retired teachers in the schools tutoring this year and 5-10 students in the 1-on-1 program.

Commissioner Smith and Kay Luffman talked about they have 16 retired teachers currently and the liability insurance isn't for the retired teachers. Dr. Cox stated that they cover them because they are in the schools.

Chair Richardson and County Manager Don Adams talked about the difference between what is budgeted versus what is requested because the numbers were not available at the time of the budget preparation. County Manager Don Adams reminded everyone that all special appropriations are frozen at this year's level.

Chair Richardson talked about scheduling a public hearing during the week of June 25 with his preference being June 26 in the evening. The Board looked at their calendars. They agreed on June 26 at 6:30pm.

Chair Richardson said he doesn't know if the Board will need additional budget meetings at this time and maybe after tomorrow the Board will know.

County Manager Don Adams explained that he provided the Commissioners copies of the fee schedules because at some point the Board will need to discuss the schedules. He further explained that one option in his budget message was looking at fee schedules as a source of additional revenues.

Chair Richardson asked if there are any questions about the solid waste disposal fee schedule. Commissioner Roten asked is it the same as last year. The County Manager answered yes. Commissioner Smith and the County Manager talked about this has been the fee schedule for 2-3 years.

Chair Richardson asked if there are any questions about Alleghany in Motion's fee schedule. No one spoke.

Chair Richardson asked if there are any questions about the recreation fee schedule. No one spoke.

Chair Richardson asked if there are any questions about the fire inspections fee schedule. No one spoke.

Chair Richardson asked if there are any questions about the building inspections fee schedule. No one spoke.

Chair Richardson talked about all of these are the same as last year. County Manager Don Adams stated that is correct.

Chair Richardson asked if there are any questions about the EMS fee schedule. No one spoke.

County Manager Don Adams reiterated that he is not requesting approval tonight. He explained that if the Board is looking at increasing fees, call him and he will prepare the numbers for a later meeting.

Commissioner Roten and County Manager Don Adams talked about the solid waste fee schedule doesn't impact the General Fund.

Chair Richardson recessed this meeting at 7:27pm until Friday, June 8, 2012, at 10:00am.

Respectfully Submitted,

Karen Evans
Clerk to the Board

Attest:

Ken Richardson
Chairman