

The Alleghany County Board of Commissioners met in special session on Thursday, April 20, 2006, at 9:00am in the Conference Room of the County Office Building, 90 South Main Street, Sparta, North Carolina. The purpose of this meeting is to have a budget planning session for the FY06/07 budget.

Present: Chair Eldon Edwards, Vice-Chair Warren Taylor, Commissioner Sandy Carter Herndon, Commissioner Ken Richardson, County Manager Don Adams, and Clerk to the Board Karen Evans. County Attorney Donna Shumate was absent. Commissioner Graylen Blevins was present but arrived late.

Chair Eldon Edwards called the meeting to order.

County Manager Don Adams reviewed the agenda topics for this meeting. He further reviewed the budget schedule. He asked the Board to schedule the public hearing on the budget and three days to meet with departments.

The Board of Commissioners and County Manager Don Adams discussed times for the public hearing and starting the budget meetings.

Commissioner Graylen Blevins arrived at 9:10am.

The Board of Commissioners and County Manager Don Adams decided on June 19 during the regular meeting for the public hearing and May 31, June 1 and June 2. They asked that the County Manager and Clerk schedule the budget meetings and let them know.

County Manager Don Adams reviewed pie charts for expenditures by function, expenditures by object, revenues per capita, revenues, and tax collection rate. He explained spreadsheets about taxation ranking the County in comparison with all North Carolina counties. He further explained a spreadsheet regarding the percentage of property owners residing in Alleghany County. He talked about fund-balance percentages.

County Manager Don Adams talked about debt service and reviewed a spreadsheet regarding the County's debt. He explained the net-debt ratio and the debt service analysis.

County Manager Don Adams presented a new budget spreadsheet for 2006/2007. He explained the spreadsheets including new requests and capital needs.

The Board of Commissioners and County Manager Don Adams discussed the Dispatch budget not having capital needs in the budget. They talked about the needs that have been discussed with the Sheriff regarding moving Dispatch.

Chair Eldon Edwards mentioned the Veterans' Office request. He explained that the VFW has been providing office space. He further explained that each veteran's office should be operating 2 ½ days a week. He talked about the need for more space, a copier and fax/printer.

County Manager Don Adams explained that currently the requested budget has a 2% cost of living but not any other requests regarding personnel or salary requests.

Chair Eldon Edwards talked about the veterans' officer position going to 1,000 hours with benefits. He stated that the State provides \$2,000 towards these expenses.

Commissioner Graylen Blevins stated that the personnel requests for Social Services came from the State. He explained the reasoning of the State's requirements.

County Manager Don Adams explained the process that he goes through in making his budget recommendations.

Commissioner Sandy Carter Herndon asked what options the Board has to raise monies without looking at property taxes.

County Manager Don Adams explained the fees that the County currently collects.

The Board of Commissioners discussed the need to talk with the legislators regarding impact fees and transfer fees.

County Manager Don Adams talked about fee schedule changes that will be coming to Board including Ambulance Service mileage rates. He further talked about fuel costs rising and the impact on the budget.

Commissioner Ken Richardson talked about the most immediate budget relief is some type of Medicaid relief.

County Manager Don Adams explained the two options regarding Medicaid; the State taking over the Medicaid expenses in place of the Article 39 sales tax and then counties can enact another 1 cent sales tax or cap Medicaid expenses at the current level.

Commissioner Warren Taylor explained that the NCACC is pushing capping the Medicaid expenses. He stated that anything we can do is to the County's advantage.

County Manager Don Adams explained the current health insurance benefits including the costs, quote from BCBS for next year and quote from CIGNA for next year. He further explained the quote from CIGNA includes a \$10,000 signing bonus if documents are signed by May 15. Next, he explained two other options for CIGNA to reduce costs. He reviewed the network for CIGNA.

Commissioner Warren Taylor talked about having the hospital in the network and leaving the benefits the same as they are currently with BCBS.

Commissioner Sandy Carter Herndon stated that she agrees with Commissioner Taylor.

County Manager Don Adams stated that the hospital is working with CIGNA to become part of the network. He stated that the employees would switch over on July 1. He further stated that there are no major changes to the benefits between the two companies. He reminded the Board that this decision to switch to CIGNA was made by the NCACC. He explained why the NCACC choose to switch to CIGNA.

Commissioner Ken Richardson talked about the Health Department's policy regarding employees' health insurance upon retiring.

County Manager Don Adams updated the Board on prior actions regarding changing the medical benefits for retirees.

Commissioner Warren Taylor asked the County Manager to check into the state employees' retirement.

Commissioner Ken Richardson talked about changing the policy with new employees.

The Board of Commissioners and County Manager Don Adams discussed medical insurance for retirees, changing the policy for all new employees, years of service and Medicare supplement.

The Board of Commissioners discussed the plans between BCBS and CIGNA.

Commissioner Warren Taylor made a motion to switch to CIGNA for health insurance.

Commissioner Sandy Carter Herndon seconded the motion. Vote 5:0.

County Manager Don Adams reviewed the proposed insurance agreements for property/liability and workers comp. He further reviewed the current year rates and next year's rates for property/liability and workers comp.

Commissioner Ken Richardson made a motion to approve the property/liability and workers comp agreements for the upcoming budget year. Commissioner Sandy Carter Herndon seconded the motion. Vote 5:0.

County Manager Don Adams presented the proposed merit system. He explained the proposal.

Commissioner Warren Taylor, Chair Eldon Edwards and Commissioner Graylen Blevins stated that they don't like a merit pay system. Commissioner Warren Taylor stated his appreciation for the time spent on the matter.

Commissioner Sandy Carter Herndon explained that her background and experience was that merit increases were the only method of increases.

Chair Eldon Edwards stated his opinion is to use the pay plan that is in place now and give an annual increase to everyone.

The Board of Commissioners and County Manager Don Adams discussed the costs associated with a merit system. County Manager Don Adams asked the Board if they approve a merit system, which way they want to proceed with merit; increases for the best performing employees or an increase for everyone.

Commissioner Sandy Carter Herndon talked about doing what can be implemented

Commissioner Warren Taylor stated that the plan that gives everyone an increase is just like a cost of living increase.

County Manager Don Adams stated that it sounds like the Commissioners are all over the page on this issue, and he will come back with something else.

Being no further business, Commissioner Ken Richardson made a motion to adjourn the meeting at 11:48am. Commissioner Graylen Blevins seconded the motion. Vote 5:0.

Respectfully submitted,

Karen Evans  
Clerk to the Board

Attest:

Eldon Edwards  
Chairman