

The Alleghany County Board of Commissioners met in special session on Monday, June 12, 2006, at 9:00am in the Conference Room of the County Office Building, 90 South Main Street, Sparta, NC.

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. Commissioner Graylen Blevins was present but arrived late. County Attorney Donna Shumate was absent.

Chair Eldon Edwards called the meeting to order at 9:00am and talked about how to proceed with the budget discussions.

County Manager Don Adams gave the Board the background of Blue Ridge Electric and Skyline's revolving loan funds and accessing these funds to help the County with the Hospital's budget request.

Commissioner Graylen Blevins arrived at 9:08am.

County Manager Don Adams explained his discussions with Bryan Crutchfield with Blue Ridge Electric regarding a \$400,000 loan to be paid back over a five-year period with no payment the first year and \$100,000 for each of the next four years. He talked about the Board would need to raise taxes 1¢ to raise the \$100,000 this year and the \$100,000 for the County to pay back the loan for the next four years. He explained that the loan would be to ACEDC with the first payment due during FY 07/08. He reviewed how the loan would work, and Alleghany Memorial Hospital will provide invoices as the money is needed. He stated that Blue Ridge Electric and Skyline doesn't meet again until July so the County won't officially know the answer until after those meetings. He explained that Bryan Crutchfield had talked to Karen Powell with Skyline regarding this request. He further explained the legal reason why the County can't borrow this money.

Commissioner Ken Richardson stated that someone needs to talk with Buck Mitchell and John Woodruff.

County Manager Don Adams explained that Bryan Crutchfield had talked to his people at Blue Ridge Electric's annual meeting Saturday.

The Board of Commissioners talked about the amount of the proposed tax increase with this loan and without this loan.

Commissioner Ken Richardson stated that he recommends a 1¢ tax increase and if the loan deal fails then use the fund balance regarding funding the Hospital's request.

County Manager Don Adams stated he agrees with Commissioner Richardson's comments about the fund balance.

Commissioner Ken Richardson stated that he is willing to go with someone to see Buck Mitchell and Jim Shepherd.

Commissioner Graylen Blevins asked when does the Hospital's request end.

County Manager Don Adams stated that this is a one-time fix. He talked about if the Board has to provide constant funding, then the Board would get involved regarding services and

management issues.

Commissioner Graylen Blevins stated that the Hospital should be part of the annual reports process. He commended the County Manager for the solution regarding the Hospital's request.

Commissioner Warren Taylor talked about the Hospital took measures to cut expenses and obtained critical access status. He further talked about doing the best that can be done to get them over this financial hump. He stated that the monies will go for a physician and surgeon who will actively admit patients to Alleghany Memorial Hospital.

County Manager Don Adams reiterated the support from Blue Ridge Electric and Skyline.

Commissioner Warren Taylor stated that he will call John Woodruff.

Chair Eldon Edwards stated that he will call Buck Mitchell and Jim Shepherd.

County Manager Don Adams asked that the Commissioners wait before calling these people in order to give their staff time to update everyone about the project.

County Manager Don Adams explained items for discussions regarding the budget include a letter from the Chamber of Commerce about fireworks, ambulance financing and regional tourism.

Commissioner Sandy Carter Herndon added that Alleghany Group Homes, Wellness Center, personnel and schools needs to be discussed, also.

Commissioner Ken Richardson mentioned the minimum wage issue.

Chair Eldon Edwards talked about the need to support the Alleghany Group Homes with their request of \$40,000.

The Board of Commissioners discussed the request is due to operational expenses and a shift in revenues from the health care system.

Commissioner Ken Richardson talked about compromising about the Wellness Center's request, raising taxes 1¢ and providing the Group Homes \$40,000 and the Wellness Center \$60,000. He talked about giving the Wellness Center a total of \$60,000. He further talked about the importance of the Wellness Center.

Commissioner Warren Taylor stated that he doesn't have a problem with providing the Wellness Center an additional \$35,000 to make their total \$60,000.

Commissioner Graylen Blevins asked about cutting back some of the Hospital's request.

Commissioner Sandy Carter Herndon stated that she wasn't in favor of that at all. She reiterated Ralph Castillo's comments from Friday's meeting about the reason for recruiting another physician and the timeline for the recruitment.

Chair Eldon Edwards stated that he supports the Hospital but the money provided will have to show progress.

County Manager Don Adams talked about documentation that will be required from the

Hospital including contracts with the physicians and invoices.

Chair Eldon Edwards stated his concern about the Wellness Center's operational costs especially the pool area.

Commissioner Warren Taylor and Chair Eldon Edwards talked about using a solar system or putting a permanent structure over the pool.

Commissioner Ken Richardson explained that it would have costs \$200,000 more to build a permanent structure during the construction. He stated that the reduction in costs wouldn't have been significant. He explained the purpose of the water temperature in the pools and the bubble. He stated that the Wellness Center has already cut half of the payroll to reduce expenses. He talked about the two biggest expenses are utilities and payroll.

Commissioner Graylen Blevins asked if the \$40,000 shortfall from the County was going to drastically impact the Wellness Center.

Commissioner Ken Richardson stated that the Wellness Center will be back next year requesting funding. He explained that the \$60,000 will allow the Center to be open for another year. He talked about significant improvements in the County; such as, Alleghany in Motion, Wellness Center and the library. He stated that it is a community service that he would hate to see close.

Commissioner Warren Taylor stated that it sounds like the Board agrees on the \$35,000 and the need to move on.

Chair Eldon Edwards and Commissioner Ken Richardson talked about the kitchen facility at the Wellness Center and the possibility of preparing the meals for the Jail.

Chair Eldon Edwards stated that he has some concerns about the Wellness Center.

County Manager Don Adams stated that the Board has committed to \$175,000 in new monies.

Commissioner Warren Taylor asked for the County Manager to explain the current expense and capital requests from the Schools.

County Manager Don Adams explained the Schools' request for current expense and his recommendation. He further explained that his recommendation does not include any funding for the new personnel or professional supplement increases.

Commissioner Ken Richardson reminded everyone that the Commissioners can't earmark the money going to the Board of Education.

Commissioner Warren Taylor talked about as a Board; the Commissioners can emphasis where the Commissioners intended for the money to be spent.

County Manager Don Adams explained the capital request from the Schools.

The Board of Commissioners talked about the total shortfall for the Schools' capital requests.

Commissioner Ken Richardson stated that the capital presentation impressed him the most.

The Board of Commissioners discussed the School's request for additional personnel and capital needs.

The Board of Commissioners discussed other personnel requests for the Board of Elections, Library, Veterans Service, Social Services and Tax Office. The Board agreed to the personnel changes requested by the Veterans Service and the Social Services interpreter position.

Commissioner Ken Richardson and Commissioner Sandy Carter Herndon stated that they are in favor of the Library's request to make a part-time position into a full-time position.

County Manager Don Adams explained the Tax Office's request and how the Tax Administrator is looking to hire someone to complete the next revaluation. He stated that he can see both sides on this position. He pointed out reasons to make this position permanent, and he talked about this person has training on the computer systems but hasn't attended any tax-related classes.

The Board of Commissioners decided to not fund the Board of Elections' request or the Tax Office's request.

The Board of Commissioners took a brief recess at 10:30am.

County Manager Don Adams talked about three funding categories for the Schools' capital.

Commissioner Warren Taylor talked about adding \$40,000 to the current expense and \$40,000 for the capital expenses.

Commissioner Ken Richardson asked that the Board address the capital needs first.

Chair Eldon Edwards and County Manager Don Adams talked about approximately \$81,000 will take care of all of the capital needs by utilizing \$100,000 of the ADM funds.

The Board of Commissioners and County Manager Don Adams talked about this request will finish the air-conditioning project at all of the schools.

Commissioner Warren Taylor talked about taking the \$81,000 out of fund balance.

Commissioner Ken Richardson talked about minimum wage may go to \$6.15 and the need to have the fund balance for unforeseen costs like the minimum wage. He talked about financing the capital this year only delays the tax impact for those items.

County Manager Don Adams reiterated what the additional \$158,000 covers for the schools' current expense. He stated that his recommended amount does not cut services for the school system.

The Board of Commissioners talked about the current expense, teacher supplement, an alternative teacher's position and providing guidance regarding the level of funding provided. They further talked about how to fund the requests; \$60,000 for capital and \$40,000 for current expense.

County Manager Don Adams mentioned that the Commissioners and Board of Education could utilize an additional \$20,000 in ADM monies to fund the entire capital requests.

Commissioner Warren Taylor, Commissioner Graylen Blevins and Commissioner Sandy Carter Herndon stated that they are in favor of that.

County Manager Don Adams talked about conversations with Dr. Jeff Cox.

Commissioner Ken Richardson stated that he supports that idea.

Commissioner Sandy Carter Herndon talked about making statements publicly on what the Commissioners intend for the money to be spent on.

Commissioner Warren Taylor talked about how hard it is to make these decisions.

County Manager Don Adams explained the letter from the Chamber that requests changing the fireworks show to a 30-minute show. He further explained the history of the fireworks show and the level of funding being split between the County and the Town. He stated that the 30-minute show will be \$5,000, and the Town will provide half of the costs.

The Board of Commissioners stated their support.

County Manager Don Adams talked about the pricing received for ambulance remounts. He explained the remount concept is where the patient boxes are placed onto a new truck. He explained the warranties for remounts and the costs savings. He offered the Board two options; remount the 1997 box onto a new truck or remount both older ambulances' boxes onto new trucks. He talked about the costs for both options.

The Board of Commissioners discussed purchasing one or two ambulances.

County Manager Don Adams explained that purchasing one will be a decrease of \$4,700 in the loan payment for this year's capital.

The Board of Commissioners decided to purchase one new ambulance.

County Manager Don Adams reminded the Board of the \$7,500 request regarding the new Northwest Regional Tourism group. He reviewed the purpose of the group and the counties involved with this group.

Commissioner Ken Richardson stated that he told the tourism group that all eight counties need to support this group not just one or two counties.

County Manager Don Adams stated that only two counties have appointed members to the governing body for the tourism group; Alleghany and Surry.

Commissioner Sandy Carter Herndon and County Manager Don Adams discussed this money will come out of the economic development fund.

Commissioner Ken Richardson stated that he will tell the tourism group that Alleghany has signed on contingent upon all of the counties agreeing to participate.

Commissioner Graylen Blevins and Commissioner Sandy Carter Herndon agreed with Commissioner Richardson.

Chair Eldon Edwards stated that he wants to see some results from the tourism group.

Commissioner Sandy Carter Herndon mentioned Council on Aging's additional request of \$2,604. She explained what the monies are needed for.

Commissioner Ken Richardson stated that if the Board deviates from the 3% across the board increase, then he is asking the Health Department and Mental Health to come ask for more money. He talked about if the Board does one agency different then all of the agencies should come request additional monies.

Chair Eldon Edwards stated that the Board cannot afford to deviate from the recommended 3%.

Chair Eldon Edwards and Commissioner Ken Richardson talked about the level of funding being provided to the Wellness Center.

Chair Eldon Edwards stated that he has some reservations about the \$60,000 for the Wellness Center.

Commissioner Ken Richardson talked about \$60,000 was already a compromise.

Commissioner Warren Taylor stated that the overall effort during this budget has been better than expected, and it is due to the working environment of this Board.

Commissioner Ken Richardson made a motion to adjourn this meeting at 11:28am. Commissioner Warren Taylor seconded the motion. Vote 5:0.

Respectfully Submitted,

Karen Evans
Clerk to the Board

Attest:

Eldon Edwards
Chairman