

MINUTES

**STATE OF NORTH CAROLINA
COUNTY OF HENDERSON**

**BOARD OF COMMISSIONERS
MAY 27, 2008**

The Henderson County Board of Commissioners met for a special called meeting at 8:00 a.m. in the Courtroom/Commissioners' Conference Room of the Historic Courthouse.

Those present were: Chairman Bill Moyer, Vice-Chairman Charlie Messer, Commissioner Larry Young, Commissioner Chuck McGrady, Commissioner Mark Williams, County Manager Steve Wyatt, Assistant County Manager Selena Coffey, County Attorney Russell Burrell, and Clerk to the Board Elizabeth W. Corn.

Also present were: Research/Budget Analyst Amy Brantley, Deputy Clerk to the Board Terry Wilson, Communications Officer Pam Brice, DSS Director Liston Smith, Sheriff Rick Davis, Engineering/Facility Services Director Marcus Jones, Assessor Stan Duncan, Emergency Services Director/Fire Marshal Rocky Hyder, Planning Director Anthony Starr, Aux. Business Manager for the Sheriff's Department Bill Blalock, and Communications Officer Pam Brice.

CALL TO ORDER/WELCOME

Chairman Moyer called the meeting to order and welcomed all in attendance, stating that the purpose of this meeting was a FY2008-2009 Budget Workshop.

FY2008-2009 BUDGET WORKSHOP

Revenue forecast update

Steve Wyatt reviewed revenue projection assumptions with the Board:

- No increase in property tax rate

- Sales tax rate remains constant at 6.75 cents

- There is the change in the sales tax distribution formula from

 - Per Capita to Ad Valorem

- We have an intergovernmental agreement with Fire Departments

- Sales tax is forecasted for the coming year below the current budget

Steve Wyatt stated that staff also has concerns about the current year sales tax projections. Chairman Moyer requested figures from the State on what their projected sales tax revenues will be. Steve Wyatt then reviewed the revenue projections, revised for FY2007-2008 and projected for FY 2008-2009. He explained that he had asked for a designation of \$500,000 for an emergency fuel reserve for this coming year. Mr. Wyatt explained that Ad Valorem property taxes make up about half of the revenue stream (49.81%).

Tax Rate Equivalent (TRE)

Steve Wyatt then reviewed the amount of money 1 cent or a fraction of a cent brings in at the 97% collection rate:

In the FY2007-2008 budget:

- 1 TRE = \$1,192,576

- .5 TRE = \$ 596,288

- .25 TRE = \$ 226,983

DATE APPROVED: AUGUST 12, 2008

A "TRE" is a measure of the relative impact of a function, department, agency or project on the existing tax rate. Based on a tax base valuation of \$12,880,000,000 in FY2008-2009, 1 TRE = \$1,249,360.

Mr. Wyatt explained that our sales tax receipts run a few months behind. February is the most recent data we have. January was off about 7.2%, and February was down almost 17%. That's a dramatic increase. Projections show we're down about 2% in the current fiscal year.

Mr. Wyatt briefly discussed **Fund Balance Available:**

Unreserved Audited General Fund Balance at June 30, 2007	\$15,381,495
12% Board of Commissioners' Fund Balance Policy	\$13,602,185
Fund Balance Available for appropriation – over the 12% policy	\$ 1,779,310
Included in recommended budget for appropriation	\$ 1,279,310
Reserved for Strategic Energy Reserve Fund	\$ 500,000
Remaining Fund Balance Available for Appropriation	\$ 0

Discussion followed, no action taken. The Board requested some additional information from staff.

HENDERSON COUNTY PUBLIC SCHOOLS

School Board Chairman Ervin Bazzle thanked the Board for their support for Sugarloaf Elementary, Hillandale Elementary, and Mills River Elementary Schools. He explained that each year the School Board begins the budget process by looking at last year's budget, \$18,802,573. Their budget is divided into two categories:

Current expense which is what it takes for them to operate (includes salaries and benefits) **Uncontrollables** are salaries that reflect the raises given by the State each year for their state employees. The schools have local employees, both certified and non-certified and they are required by law to match the raises that the State may give. They are projecting a grade/step increase plus 5% for certified employees. That may change. Non-certified and certified employees (locally funded) include teachers, maintenance workers, technology staffing people, and some of the custodians. They project a little over \$202,000 for the certified employees and \$190,000 plus for the non-certified. The supplements for these positions would come to a total of \$176,000 plus. Hospital benefits for those positions would be a little over \$11,000. The increase in the utility costs is based on estimates they have been given by the utility companies. Total = \$698,872,072. They are using other revenue generated from investments and/or from accounts to reduce their request to roughly \$557,000. That is one uncontrollable, the second one is Sugarloaf Elementary. Mr. Bazzle stated that they understood at the beginning of this process that the amount was earmarked and was \$540,235. He stated those are the rock bottom numbers that they have to have to operate. After that, they responded to a tremendous amount of community input to the School Board and to the Board of Commissioners regarding school nurses, special education needs, the different type of counselors and things needed in the schools but specifically the school nurse issue. He stated that Mr. Wyatt's proposed budget does not cover the uncontrollables. Except for the \$141,000 that the schools are putting in, it would be well short of over \$100,000 plus. It's still \$90,000 short of the uncontrollables. He stated that the schools have been underfunded for uncontrollable for the past three years.

Mr. Bazzle stated that when the schools merged in 1993 there was an agreement that was reached between the County, the City and the County Commissioners that guaranteed a level of funding for current expense and per pupil allotment. At that time it was \$800 - \$850 per student (1992). The agreement was to fund the schools in the top 20 in the State. He said they rank 89th out of 115.

Mr. Bazzle stated that the Schools budget is clearly laid out with no fluff in it whatsoever. He stated that we cannot afford to not take care of our buildings. He stated that the schools are funded well below the State average and well below the level of our contiguous counties.

FY2008-2009 grand total of uncontrollable expenses is \$698,872 and the schools are funding \$141,870 from other sources leaving roughly \$557,000. Out of uncontrollables they are \$90,000 short and \$40,000 for Sugarloaf Elementary for a total of roughly \$130,000.

Proposed Maintenance Schedule

Mr. Bazzle stated they are right at \$1,000,000 short for maintenance projects, according to the County Manager's proposed budget.

Discussion followed regarding school nurses and whether they should be funded through the Department of Public Health or the School's budget and how it might skew the per pupil expenditure numbers.

Commissioner McGrady expressed that he will vote against this budget due to underfunding of the school's budget.

There was some discussion concerning debt service for the school system. Chairman Bazzle felt that debt service shouldn't be a part of the school budget. The County Manager and Commissioners disagreed.

Commissioner Young expressed that this was not the time to raise property taxes with the economy the way it is and the way gas prices and food prices are escalating so much so quick. He said "I don't know of any member of this Board that says that we've done enough for education. I don't think anybody has made that statement. Now, have we done all we can do, yes. Are we gonna continue to do all we can do, yes. But to say that we've done enough, I think that's a mis-statement."

Other Commissioners expressed similar sentiments.

Jane Orwoll, a member of the School Board, commented that she was freezing in the meeting room. She talked about the technology in the meeting room, the new equipment and the low temperatures and said "I can find several ways that you all can cut down on your budget."

Chairman Moyer suggested adding to the list the uncontrollables and the maintenance plan. He felt they warranted more review and consideration.

Blue Ridge Community College

College President Molly Parkhill stated that the College had presented to the Board of Commissioners their operating expenses and capital improvements budget at the Board's retreat in January. She stated she and other staff were present to answer any questions the Commissioners might have. She recognized the folks from the Community College who were in attendance: John McCormick, Chairman of the Board of Trustees; Bill Farrell, Chairman of the Finance Committee, Tom Orr, Chairman of the Facilities Committee, and David Whitson Dean of Administrative Services.

David Whitson explained that on November 28 he had met with the Joint Facilities Committee. The College's 5-year Capital Improvement Plan was shared at that time. On December 7 he made the proposal to the County Manager on behalf of the College for the FY 2008-2009 Budget, both current operating and capital. January 17 he was at the Commissioners' retreat at the Justice Academy to once again share the needs of the Community College.

He expressed appreciation to the Board for funding the current request for this year. Out of that request the College was able to fund a couple key positions. They were short a couple positions in their maintenance department and custodial but because of county funding they were able to fill an electrician position. They have already saved several thousand dollars as a result of having that position on board. The college's current operating budget to the county for next year is just over \$331,000. Of that money \$201,000 is for the new building. The New Technology Development Center includes the following:

Salaries and fringe benefits	\$82,000 +
Other costs	12,000
Campus Security	5,000
Utilities	90,000
Insurance	<u>11,000</u>
Total Projected cost of new facility =	\$201,000

When you subtract out the \$201,000 for the new building, it leaves \$129,000 for the existing buildings and existing maintenance. Of that the biggest increase falls under other costs. He stated almost 50% of their buildings are 30 years or older. There are several things that need done as repair and renovation to those buildings. They are projecting no additional positions for the rest of the campus but are projecting a salary adjustment of 5% for county paid employees. That is included in the current operating expenses.

Mr. Whitson then reviewed under Capital Outlay that they are in the catch-up mode regarding maintenance. He stated the lists are extensive, many deficiencies campus-wide. The request to the county from the assessment of their facilities amounts to just over \$900,000. They are building a parking lot out of the funds for the Technology Building, with a 120 space parking lot. That can be subtracted from the \$900,000. They could also subtract \$40,000 for a feasibility study. The list has gone from \$900,000 to \$579,000, their request to the county.

Molly Parkhill extended an invitation to the full Board to attend the Flat Rock campus in July for a Joint Meeting with the Board of Trustees. This would be an opportunity to see the New Technology Education Development Center. They also hope to present their Strategic Plan to the Board of Commissioners at that time which will guide the College for the next five years.

A question was raised regarding the schedule for the Community College to repay the County for county monies spent on the Baseball Program. David Whitson stated that they are living up to the program.

The County Manager stated that it is included as revenue in our budget, \$12,000 a year.

Recess

Chairman Moyer called a brief recess.

Sheriff Department/Law Enforcement

Sheriff Rick Davis stated that the Sheriff's Department took over animal enforcement this year. Six animal services employees were transferred to the Sheriff's Department operational expenses. He stated their operational expenses would have been significantly lower had they not had the staffing increase. Sheriff Davis switched the courthouse personnel (5) to the detention center budget so they are under operational control there effectively in the same building. Sheriff Davis informed the Board that as far as Federal negotiations for inmates, the new amount is \$76.22 per prisoner per day. That is higher than the majority of counties are getting now.

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A question was asked about the Capital Outlay line. Sheriff Davis explained the significant decrease was because 14 vehicles were transferred to debt service, financing for the purchase for the Sheriff's Department. The Sheriff had to pick up a new initiative this year for the lease of E911 Radio Consoles in the amount of \$140,000 which previously had been funded in the E911 fund.

Chairman Moyer stated that the Board had made a big issue that debt service should be part of the schools budget but it looks like staff has pulled items out of county department's budgets for convenience so we don't show the total cost of operation of the department. "I think if we're gonna have a fair representation of what our departments are costing us, they need to certainly have debt service in there. If we're going to make that argument for the school system we need to apply it to ourselves, our own departments.

The County Manager explained that a Risk Management Fund had been started with the idea of bringing those kinds of costs together. It includes workers compensation \$550,000, property and liability ins. is \$750,000. This is a new internal services fund and includes the Wellness Clinic at \$165,000. Chairman Moyer wasn't arguing the concept but rather the fact that these expenses were taken out of the department budgets.

In answer to questions from the Board Sheriff Davis answered:

He does not feel that the number of patrol officers is adequate. According to the S.B.I., we have 1.6 officers per 1,000 people in Henderson County. (The City of Hendersonville has 3.4 per 1,000). The average for the adjoining counties is 1.6.

He stated that we're short on drug enforcement officers, specifically for highway interdiction according to the US Attorney's office.

He stated that the Sheriff's Department is housed at seven different locations. Three of those locations are actually owned by the County, the others are leased.

He answered that he currently has 5 deputies at the Human Services Building, two detectives assigned to Child Abuse United Services, 3 deputies for security.

Sheriff Davis stated that this is not an enviable time to be at the helm due to the declining economy and the budget constraints. He feels that staff has the best interest of the County in mind and have done a remarkable job.

The Commissioners requested information on the number of gallons of gasoline used by county departments. Staff will provide that to the Board.

Chairman Moyer realizes that it is a little late in the game to make changes in the way the budget is presented but feels that next year staff needs to find a way to better explain the budget, especially to the public.

Recess

Chairman Moyer called a five minute recess, to change videotape.

Social Services

Liston Smith recognized two folks in attendance from DSS today: Board Chairman Dave Adams and Head Business Officer Penney Summey. Mr. Smith addressed the number of children and the number of elderly and disabled served monthly by DSS:

Children

FY 2005-2006	15,490
FY 2006-2007	16,432 (6.1% increase from 05-06)
FY 2007-2008 (estimated)	16,797 (8.4% increase from 05-06)
FY 2008-2009 (trend analysis)	(12% increase from 05-06)

Elderly & Disabled

FY 2005-2006	4,698
FY 2006-2007	5,179 (10.2% increase from 05-06)
FY 2007-2008 (estimated)	6,222 (32.4% increase from 05-06)
FY 2008-2009 (trend analysis)	(52% increase from 05-06)

He has seen a particular increase in the number of elderly and disabled. These are just the numbers from the seven core Social Services Programs. He had removed all the welfare programs. There are currently between 27-40 programs. The elderly and disabled are two categories. Mr. Smith stated that it is hard to separate them so he usually counts them together. The elderly includes people 60 years and older and is mainly Medicaid. He stated that the primary government funding source for citizens in this county and nation-wide, for people who end up in out of home care and expensive long-term care is Medicaid, not Medicare. In fact nationwide research shows that within the first year of a person going into a nursing home 20% of those folks go to the point where they're eligible and their funding is Medicaid based. Our county is having a real acceleration in that area.

Mr. Smith stated that one of the positions he requested was for a person to monitor the rest homes/adult care homes in Henderson County. He said this position is a priority. This position is in the budget as it stands today. Mr. Smith said he had requested five other positions. All five of these Medicaid positions are related to the elderly and disabled.

Dave Adams stressed the need for the same high priority staff position Liston Smith discussed above. He addressed the growth in the department. Last year they didn't request new personnel. They decided to have an outsider come in and look at how they do things so they contracted a study. They have requested additional staff. They have constant turnover. He said they are requesting four positions in the Medicaid Processing area. The State and Federal Government create these programs and then they manage them through regulation changes. He stated that they have learned that their work quality is being jeopardized by their work quantity. They have numerous young staff that need closer monitoring and more training. He explained that they don't have the proper supervisor/staff ratio, stating they are about 1/14 and it is recommended that they should be 1/7. The DSS Board and the entire staff has gone through every single line item in the DSS budget and re-evaluated and cut and reviewed again all items. The DSS Board approved a 4.51% budget increase. The DSS Board has not approved a 2.7% budget. Mr. Adams asked "What happens if we don't get the positions we've asked for? – two things are gonna happen: 1. We're gonna start making some errors and the State's gonna come back in and catch those errors. If you make errors you have to refund the State now. They aren't doing that yet but there is indication that might be a concern somewhere down the road. 2. There will be delay in getting the Medicaid applications processed. We will be behind and the people that need help the most will be the ones not getting the services that we are mandated to provide. \$120,000 more will keep the DSS Department from backing up, will keep them moving forward. That is the difference between the 2.7% and the 4.51% budget that the DSS Board

approved. The \$120,000 would fund the county's share of the additional five positions requested and it would leverage additional state and federal dollars. It was the consensus of the Board to re-examine the DSS requests, especially the Medicaid request for five additional personnel.

Recess

Chairman Moyer called a 30 minute recess for lunch.

Governing Body

Chairman Moyer raised a few question about the budget for Governing Body, questioning whether there is enough allotted for travel and training for the coming year. He also questioned the amount of money in the medical insurance line. There are seven employees in Governing Body. Ms. Brantley stated that the cost for medical insurance is per unit, being \$7,899 per person. That amount times seven equals \$55,298.00.

A question was raised about the Wellness Clinic and whether that had helped the situation any. Ms. Coffey stated that it has limited the amount of increase from 16% to 8%.

Department of Public Health

Tom Bridges stated he projected very optimistic revenues to come in. They are also using a substantial amount of their fund balance from Medicaid settlement program which carries over from year to year. They are facing increasing costs, especially for specialty people such as nurses. Costs have gone up substantially over the last several years.

Mr. Bridges addressed the issue of school nurses, stating that the Board of Health would like to look at the issue with the Board. He stated that the schools have the mandate to provide care plans. It's not just a health clinic or first aid services. It is a care plan for how the schools will work with children who have special health needs. The Health Department has provided this service by contract to the schools in the past. The Health Department has provided the nurses who do the health care plans. He feels it is a good public health arrangement. If we have a communicable diseases and other issues arise that will be a place where the nurses can serve as sentinels for the health department and help in dealing with those issues. He stated that the problem has been their ability to work with increasing numbers of students and having fewer nurses. National recommendation is 1 nurse to 750 students. Ours is one of the lowest in the state so our staff are having to work much harder to meet the requirements that are mandated. (Henderson County is currently 12th from the bottom, 1/1,850). The schools have the option if they want to contract with other providers.

Blue Ridge has provided a school clinic where they can triage students as they come in to see if they are sick or not. But there still will need to be a care plan developed in working with the teachers. The clinic does not take the place of the mandated care plan. Mr. Bridges stated that Buncombe County has nurses doing school health and nurses doing clinics but there is a divided role in what each provides. Henderson County Public Health is using some of their current Medicaid earnings to cover part of that cost. At least \$120,000 is coming from Medicaid earnings they make from doing other services. They also have some state money for child health programs they are using to cover school nurses. He currently has about 7 nurses from the health department that work with the schools. The Health Dept. has a physician to serve as a back-up to those nurses. They also monitor the illnesses and the kinds of things going on in the school, tracking and providing in-service or consultation. The schools receive money from the county and contract with the health department to be the provider of these services. In the Health Dept. budget is \$487,000 for school health nurses but they have some off-setting revenue (Medicaid earnings).

There was one privately funded school nurse working at Bruce Drysdale Elementary – a trial period to see what the advantage would be to have a full-time nurse. They found some very interesting statistics such as seven hours of instruction time was saved because the teachers didn't have to attend to children. The school nurse also saw that they had doctor's appointments that they had dental care and appropriate things were done. The idea is to make them (children) more successful so that they learn better and wind up being productive citizens. The grant ran out and this full-time nurse is being terminated. If one nurse gets added this year it will basically be keeping status quo. They have outreach nurses and other nurses who do specific programs that draw down funding. They bill for services. They are generating revenues to help cover nursing. Mr. Bridges is hopeful that in the not-too-distant future there will be a billable service for Medicaid for Medicaid children for school nursing. It won't cover everything but will be a shot in the arm. The schools would have to do the billing for the health department due to how the system is set up. The schools have to show provision of some money towards school nursing. The Health Department has raised some of their fees in Environmental Health which has helped some with their revenues.

In answer to a question, Tom Bridges stated that the School Nurses are causing a financial concern because the Health Department is using some of their revenues that they would otherwise use for other things but instead are putting towards the school nurse issue (they have been doing so for the last several years). Mr. Bridges sees it getting worse next year and if so the Health Department would not be able to fund the school nurses out of their budget.

Mr. Bridges stated that when they provide an interpreter, it takes twice as long to provide the service. They don't get any additional monies so the health department has the expense of the interpreter as well as twice the time of personnel. He stated that the demographics have changed in the ten years he has been with the health department. They went from mainly having those with insurance and those speaking English to a more challenge with language as well as with the income barrier. They are doing a lot of the prenatal care that was dropped at Blue Ridge Health some years ago. Park Ridge Hospital does some but the Public Health Department does much of it. They do find themselves working closely with Pardee Hospital in trying to help keep the costs lower. They may get presumptive Medicaid for two months and then they serve another seven months during the prenatal period with no money. He stated fortunately their malpractice insurance has remained low. They have not seen big increases like other sectors have. He stated state and federal monies have remained flat or decreased.

Tom Bridges stated that in times past they had estimated something like \$150,000 for flu vaccine. They have found realistically that there are people who will come in from out of state who will buy up massive amounts of the vaccine right now, before the new fiscal year. In the meantime the health department has to wait until the new fiscal year to negotiate/firm up a contract and an order. Those who order earlier get a lower price. They can recruit nurses to come into a venue (grocery store, etc.) and give flu shots. The health department cannot compete in a market driven system like that. Where they can compete more is if there is a disaster. The health department is looking at administering no more than about 3,000 – 4,000 doses of the flu vaccine. They get criticized for charging \$25 (while privates set the price). He stated that he could have gotten over \$30 from Medicare to administer the flu shot, but for a person paying cash they try to get their revenue in line with the going rate. They could charge less but if they have 2,000 doses left over, he has to eat that cost. He has to try to cover his administrative costs too. They didn't have the demand this past year like they have some year. If they had had a big outbreak of influenza they would have used up all those doses. It's a gamble to try to break even every year.

Regarding the mosquito control, they were able to save some last year because of using less of the chemical for the spray. That also helped in being able to maintain some stock of the chemical.

Mr. Bridges stated that they are facing reappointment of some of the Board of Health members. They have about five that will be expiring. The Dentist appointee had to step down due to going back to school. Dr. Bell has served his full term so he will be stepping down. He said they will look to the Board to provide some excellent appointments and/or reappointments to the Board of Health because it will be a very big year ahead to plan the budget and find ways to reduce the burden on their fund balance. Staff are eager to do what they can to keep costs low but at the same time provide quality service to the citizens.

Parks & Recreation

Tim Hopkins stated that he had stayed within the 2.7% growth request set forth in January. They work partly on revenues from grants and from individuals in the county who would like to do something for recreation purposes. He stated that the sewer project at Jackson Park is being finished up and hooked up to various restroom and building facilities, concessions building, and a temporary building at ballfields #8 & #9. The ballfield renovations have just been completed and will be a huge benefit to the ball players. Programs are running smoothly.

He stated that the hardest thing with the multiuse field is that it is used for a variety of different activities and grass grows during the prime season for soccer. Soccer season runs in the spring and the fall. The area is also used for other activities. There is no down time and there are no fences around the area. They don't have the ability to irrigate that large area so as it stands they do what they can within the capacity of the central services/maintenance department. They have a program where they aerate the fields, add fertilizer and grass seed however, the way the soccer programs have developed and the league dates make it difficult and sometimes the weather doesn't cooperate either. There was a dry spell this past year. A need for a soccer complex is listed in the facilities needs assessment. The renovation of the ballfields has helped tremendously. With the fencing they have been able to control access and determine when it was appropriate and not appropriate to use. They renovated all nine fields at Jackson Park and the playing conditions are far superior. Now they are working on the maintenance factor.

They currently have two officers who rotate, three gentlemen who operate in and around Jackson Park, a Chief Supervisor and two deputies. They come in towards the end of morning and they stay through the end of the games. They patrol the parks. He feels their presence has deterred some activities and helped make people feel safe there. Graffiti and gang issues seem to be their biggest vandalism issue they are trying to work with currently. They have caught some individuals doing the graffiti and they try to clean up the graffiti as quickly as they can. The deputies have helped with some speeding issues in the park.

The inmate crews have helped clean up the areas that have occasionally been used for hobo camping. He stated that he hasn't had a problem with Westfield Park in awhile. Deputies are patrolling the area. Westfield is an active park for boats and fishing.

Emergency Services/Emergency Medical Services

Rocky Hyder stated they were able to meet their obligations to reduce their funding. That helped offset some of the capital costs they had in emergency medical services. He is pleased with the budget recommendation with regard to the stretchers and cardiac monitors for the EMS personnel. He states this will be a significant improvement in the service they will be able to provide to the citizens as well as to provide for the safety of the personnel. Lifting stretchers are a key aspect to preventing injuries to the paramedic personnel, especially knees and backs. He expects that they will be able to save enough to pay for those over the course of 3-4 years.

Steve Wyatt stated there is no recommendation to change the fee schedules in EMS but it is something staff is keeping an eye on. "The Board of Commissioners has the authority to set the tax rate only one time but you have the authority to revisit and revise your fee schedule basically at any point in time.

We've had some conversations about the issue with the cost of diesel and what not but at this point this budget is not prepared with a revision to the fee schedule."

Rocky Hyder stated the new ambulances had arrived and they are currently installing the radios.

In answer to a question, Rocky Hyder explained that there are fewer paramedics that graduate from the program than there are job openings in NC each year. One of the advantages that they try to utilize in Henderson County is they offer a ride-along program for all the students that may be either in Blue Ridge Community College or Asheville Buncombe Community College. With the ride-along program they get to know the folks here and they get to see how we take care of our employees here and look out for one another. He stated it's very much a family atmosphere on the shifts. He feels that allows them to attract the personnel they need in order to provide the service. So far they have been extremely successful. They recruit early. Competitive pay helps in the recruitment.

Rocky stated that last year they were able to secure almost \$2,000,000 worth of grants. They are pass through grants from the State to local government yet we turn around and turn it back over to the State. They will be able to improve their communications infrastructure at the three mountaintop facilities we currently have. There will actually be bricks and mortar going up throughout the course of the next fiscal year but there is no county funding expended for these improvements. This is some infrastructure to help connect one end of North Carolina to the other end.

Fire Departments

Rocky Hyder explained that this budget has been quite a process with the Fire & Rescue Advisory Committee. They developed a standardized budget package that each department uses to submit their information. The Advisory Committee reviews that information with each department about the first of May to try to determine what the tax rate should be to provide a good service for that particular district. This year, because of the sales tax agreement, he reported that ten of the twelve departments that we deal with maintain the same rate. Only two departments received some slight increases and typically those were for capital projects that they already had planned but they hadn't necessarily requested the funding for. The Fire & Rescue Committee worked closely with the Fire Departments. He feels they have developed a good system by which to bring forth recommendations for fire protection units in the county. Bat Cave Fire Department and Etowah-Horse Shoe Fire Departments are the two departments that requested an increase. Bat Cave increased from 8 cent tax rate to a recommended rate of 9 cents which in Bat Cave actually generates about \$9,000 for them. Etowah-Horse Shoe increased from 8 cents to 8.5 cents and that's primarily due to an additional station that they will be having in their fire district this coming year as well.

Chairman Moyer mentioned that each of the departments was charged with taking a look at their fuel costs. Most departments, mainly on their own, have come up with steps to reduce the number of gallons of fuel they are using by using smaller vehicles, using fewer of the large vehicles when they go out on calls to get lunch or go to the grocery store and things like that. Most of them took a look at the number of gallons, came up with an increase based on looking ahead at \$6, 7 or \$8 a gallon and budgeted that. In most cases the fuel was adequately taken in consideration and they intend to conserve enough to make up for the difference if they have to. "I guess in a couple of cases they may have to go into their reserves but they're confident they can deal with the fuel situation."

Chairman Moyer had sat in on the whole process with the Fire Department budgets and was comfortable with the budget request. Chairman Moyer recommended tentatively approving the Fire Departments budget and the Commissioners were in agreement.

Rescue Squad

Rocky Hyder stated that the Henderson County Rescue Squad requested over \$100,000 this year. Their total operating budget was \$217,000. The portion of their operating budget from Henderson County has been appropriated at \$95,450. The Rescue Squad seems pleased with the County Manager's recommendation and it will help them continue with their process to try to build some additional capacity for housing vehicles. Some of their vehicles now are parked outside. They are working diligently to address that issue. They are hoping to address that by this time next year, assuming we can work out the space issues.

Chairman Moyer stated the Rescue Squad has regular fund raisers. They had one last year at Christmas and were able to purchase a new ambulance with the fund raising efforts alone. Rocky stated the Rescue Squad helped Henderson County during our ambulance crisis where we had ambulances that weren't very dependable. If it had not been for their assistance we would have had a much more difficult time.

Planning Department

Anthony Starr stated that his department's budget maintains the current levels of service and they are trying to look at ways to streamline the process to make better use of the resources that they have. Some of the initiatives they will be working on this year: Two community plans running simultaneously as well as working with Marcus in developing the potential for a stormwater management program as well as a typical review of development projects. They are trying to have a more sophisticated approach at measuring and forecasting development to anticipate its impact on various county services. They are working at developing the parameters for that. They are also continuing their oversight of housing grants as well. Mr. Starr stated that he kept his fee schedule the same, trying to be conservative.

Building Services

Anthony Starr stated that this budget was prepared with a 1.17% increase. He and Marcus currently share the oversight of this department. They are working on some software enhancements with the permit software. Hopefully the changes would simplify the process for customers. They hope to launch in the next few days an online permit and inspections information page, which should cut down on phone calls and walk-ins. In the next phase they hope to implement on-line inspection requests.

Marcus Jones explained that residential permits are down 66% through April of this year and commercial permits are down 34%.

Steve Wyatt stated that gas prices will hit this department hard because the building inspectors have to actually visit the building sites. Marcus Jones has changed policy so that inspectors are no longer taking county vehicles home, effective July 1. They are also currently working on getting multi-trade certification for their inspectors for the four trades: electrical, plumbing, mechanical and general. This will help because one inspector can visit the site instead of three or four having to visit the same site. That would also allow the assignment of inspections by geographical location rather than by trade. Marcus stated that they are taking the opportunity in this slower time to cross train employees in erosion control with Natalie Berry.

Commissioner Young asked that the Commissioners receive the inspection reports by hard copy. Chairman Moyer receives it by e-mail and stated that he would forward it to each Commissioner.

Engineering and Facility Services**Solid Waste Enterprise Fund/ Solid Waste Operations**

Marcus Jones stated that there were increases in landfill fees effective July 1. The State has begun a \$2.00 surcharge. We also have mandated closing costs for the C & D landfill. He stated that in the very near term and immediate future there are some significant challenges that the enterprise fund will need to tackle. They have done a detailed capital improvement plan (10 year cash flow analysis) for that enterprise fund. Marcus stated that the Construction & Demolition (C & D) landfill is permitted by the State of North Carolina. The permit runs out June 30, 2008. The cell is filling fast but he hopes it won't be full before the permit expires. Closure of that cell will require about half a million dollars with no associated revenue increases. The projected \$2.00/ton increase will produce in round numbers – a hundred thousand tons of trash will generate about half of that anticipated increase in expenditures. The remainder he feels they will be able to account for in operational changes. He hopes that recycling revenue will be able to offset the rest. The \$2.00 increase is a complete pass-through to the state.

Code Enforcement

Toby Linville stated that his budget for this year decreased .28% from the request last year. That is due to a change in practice – he swapped a full-time code enforcement position for a part-time administrative assistant (Secretary to the Board of Adjustment).

Toby Linville mentioned the sign removal his department has absorbed recently. His personnel remove any signs in the right-of-way and dispose of them. There have been numerous positive phone calls regarding sign removal. Mr. Linville feels that code enforcement is moving along satisfactorily. Several junk yard cases are currently going through court. Mr. Linville has had some staff turnover in the last year but is getting back to normal. Most of those calls are for excessive outdoor storage, motor vehicles, and junk cars.

The total increase from FY 2007-2008 to FY 2008-2009 was 0.67%.

Recess

Chairman Moyer called a five minute recess.

Public Library

Bill Snyder stated that his budget stayed within the 2.7% increase, as requested. In order to make this work they made reductions in their materials budget (publications). He stated that fortunately the library does have other sources of income. They will receive some refunds on their phone bills totaling about \$40,000. He has spoken with the Friends of the Library and they will make this a high priority this year in their fundraising efforts, to come up with additional funds to help offset that loss of income in the materials budget.

There was a mention of the Fletcher Branch Library no longer being adequate. It has been a high priority for several years. The Library Board has been waiting to see what the Town of Fletcher will do about their new Town Center. Discussions are on-going regarding the Green River Branch Library also, being too small for the usage. Some funds are set aside in the Community Foundation which are not designated for a specific purpose. They used \$100,000 this year for the Etowah Branch Library. They could withdraw \$100,000 for Green River if/when needed. The Library has added no new positions in about four years.

Finance

Carey McLelland stated that his budget was basically "business as usual". He has the same staffing levels he's had for a number of years. He doesn't experience much turnover. He feels comfortable with his budget in terms of operating next year. Carey McLelland and his staff have worked hard to fill their needs with quality materials at lower costs.

Board of Elections

Beverly Cunningham explained that this year is the year for a big election, the presidential general election but they still held the costs for their department budget. There was some discussion regarding early voting. Ms. Cunningham stated that the three sites worked well. They voted approximately 1,500 within about 50 votes at each of the three sites. The elections office continues to be the big site. They voted about 4,900 there. County mail outs they voted just over 10,000 before Election Day (over 40% of the voters). They voted 15,000 on Election Day. The total increase from FY 2007-2008 to FY 2008-2009 was 2.42%.

Human Resources

Jan Prichard explained that her budget is fairly small with not a lot of change that could be made to it. She stated that the largest line item in her budget was for professional services, where they group all the employee relations programs such as the Christmas Luncheon and the Employee Recognition Luncheon. They also pay some of the benefit related administrative fees such as EAP to the benefit broker and cobra administrator and the flexible spending account administrator. She stated the gifts they purchase for the employees come from the Commissioners but it is actually listed in the HRD budget.

Jan Prichard explained an organization change in the HR Department regarding the Risk Management person. This budget reallocates the Risk Manager position (Yvonne Moebes) to the Risk Management Department and includes the Benefits Coordinator position. Yvonne also manages our Worker's Compensation Program and has saved a lot of money for the county. Our renewal will come in lower again this year by about \$6,000 - \$7,000. She manages our property and liability reports and has been managing our wellness clinic in terms of keeping a good eye on all the expenses there. She has done a very good job with the clinic. Ms. Prichard also hopes to bring the contracted nurse practitioner on as an employee. Those associated salary expenses have been built into the HRD budget. We currently contract with a wellness management firm and will continue to contract with them. Right now the nurse practitioner is their employee and we pay them. There will be some savings by bringing her on full-time with us, if that occurs.

Steve Wyatt stated that because of the success of the Wellness Clinic, we're looking at going full-time from part-time and expand the coverage to dependents over the age of 12. Staff is working on a cost benefit analysis to share with the Board.

Ms. Prichard stated that our sick leave usage has declined. They calculated the sick leave reduction to be over \$200,000. That is significant. Our medical expenses have gone down. She is receiving a lot of positive feed-back from employees. Employees have saved time by going to the wellness clinic to be seen and not having to make an appointment and not incur an office visit charge. She stated the wellness clinic is viewed as a very successful program and she wants to capitalize on that, keep the momentum going and expand it. She expects the wellness clinic will come in on or under budget this year.

Chairman Moyer stated he would like to see all the wellness clinic expenses identified and set out separately so it would be easier to track them. Now part of the expenses are in Risk Management and part are in Human Resources.

Legal

Russ Burrell stated that the overall increase from FY 2007-2008 – FY 2008-2009 is 2.59%. He stated all of that is in personnel costs and operating expenses for them.

Chairman Moyer asked how the juvenile court situation and the legal work for DSS was working out. Russ Burrell stated it would become a great deal easier come August when a new attorney comes online. He stated one thing that doesn't show in his budget is the amount of revenue that they generate because of their billings to DSS and Child Support. They are billed as if they were private clients and as a result they bill the State of North Carolina for whatever that percentage that the state pays of their cost. That will go up once they have another full-time attorney stationed there. Right now Sarah and Russ are both devoting part of their time to cover an empty position but it is not the kind of hours that would be available to DSS Social Workers if that were a full-time person stationed there.

Register of Deeds

Nedra Moles stated this year they are relying very heavily on the automated enhancement and preservation fund and will be relying on it heavily next year to stay within the 2.7% increase. The part-time position (temporary) she has will be working on preservation projects so that will come out of the automated enhancements and preservation fund. Several things they will be working on next year will be able to be deducted from that fund and not come out of the general line item budget.

Nedra Moles stated that they have started scanning the birth records. They are currently back to the year 2000. She stated that lots of people come in doing research and they handle the birth records especially, they are beginning to get brittle and the ink is beginning to fade on them. As quickly as they can get them scanned in the public will be able to access those copies on computer rather than handling the original documents. The part time person is progressing nicely on the project.

Cooperative Extension

Denise Baker stated that the main change in their budget was to take care of some staff needs. She hopes to have the new agriculture agent on board in July and will be fully staffed at that time. She increased the travel and staff training line item due to the fact that they are fully staffed. None of their programs have been eliminated. The total increase from FY 2007-2008 to FY 2008-2009 is 1.74%.

Ms. Baker talked some about the shared agent positions, stating that the expense is shared proportionately with the other entities we share the position with. The state funds 51% of the agent and the counties share the remainder equitably.

Assessor

Stan Duncan addressed technology progress in his office, helping citizens and staff. It is a 2 year process in this year and also in the FY 2009-2010 Mr. Duncan took one position that had been a supervisor position and reclassified it and moved it to the reappraisal office as a real property appraiser. About 85% or better of the tax base they provide to the county is in the form of real property. Second is registered motor vehicles and then business personal property and all the other individual personal properties is third, last is public utilities. The position they are changing is a personal property supervisor position. Mr. Duncan had requested funding for this position in 2004. Given what we are facing dealing with real property issues and getting ready for the 2011 reappraisal, they are monitoring what is happening on a quarterly basis with regards to sales. He stated that in the calendar year 2007 we saw about a 7% growth in value. Already in 2008 that 7% growth in value has dissipated so we're back to where we were on January 1, 2007. That is the effect of the economic situation.

Mr. Duncan addressed the line item "contracted services" stating the increase is due to implementing the changes that the General Assembly fostered upon us in 2007. He said that 2007 will probably go down in terms of property tax at the local level as the most significant year since 1973. 1973 was when they went to a market value standard and it was when they instituted present use value. In 2007 the General Assembly passed in one chamber the four year reappraisal cycle which does not affect us and more importantly they passed the circuit breaker legislation. They increased the income allowance for elderly exclusion for 2008 and already his staff have taken in almost 25% more approved applications for elderly exclusion than they did last year. They are approaching 34.04% as of this morning additional excluded value of single family residences and mobile homes excluded because of that program than what they had in 2007.

What he sees coming up for 2009 is the Circuit Breaker bill which has passed. It's a matter of getting it implemented. Currently his staff has been working with a six step process in their exclusion program. The Circuit Breaker program that the state is forcing them to comply with is going to be somewhere around a 65 step process. It is a major hit on his office staff in time and will be a major hit regarding software. There is an increase in his budget to accomplish this. To date this is about a \$26,000,000 reduction in the tax base in the coming year.

Reappraisal Reserve Fund

Stan Duncan stated this budget reallocates one position from the Assessor budget and moves one project position to a regular position. The total increase from FY 2007-2008 to FY 2008-2009 is 3.05%.

Mr. Duncan thanked the Board for appropriating the money last year for the pictometry project. Those images have been received. They are incredible. Staff has had their training. It provides an oblique photography view, different from Ortho where you just get a bird's eye view. This is at a 40° angle and you get all four sides of most of the properties. In extremely steep locations you're reduced a lot of times to one or two. It is a great aid for law enforcement. In most of the jurisdictions around the county, it's the law enforcement that really takes advantage of the product. It will be loaded here to E-911, the Sheriff's deputies and others. IT will benefit a lot of other departments besides just the Assessor. It will certainly help the Assessor's office reduce in-county travel, to be able to monitor that more closely and to route it better so that we can cut down on the fuel cost of those vehicles. They are using it as part of their review process.

Animal Services

Brad Rayfield stated his budget includes reclassification of a temporary position to a Kennel Attendant position. Another increase was for some education. He sees a need to get more information out to the public regarding the spay-neuter programs, adoption, and other events. There's an increase for professional services because he has the large animal transport program in place now and he will contract for the transport of large animals in emergency situations. They also have a veterinary on retainer to come out and address any issues they may face out in the field. Printing and binding is up a little for the educational materials he anticipates providing this year. The increase from FY2007-2008 to FY 2008-2009 is minus 3.77%.

Steve Wyatt stated this is one of the departments that has come a long way in the past year. The Board has made this a priority and Brad has done an outstanding job with Selena's leadership.

Information Technology

Becky Snyder explained that she and her staff have been looking at ways to keep their costs under control. In the past they were replacing computers every three years or so, based on age. Right now they

are funding to replace 20% of computers each year but only replacing them if they need to be. There are some computers that last more than four or five years so they are replacing on need. They are also budgeting based on the function that a computer is going to serve. There are low-end users and there are high-end users. Not all computers cost the same amount of money. They are replacing servers every five years. That's usually driven by the fact that the manufacturers will only carry them under maintenance for five years and servers are generally critical.

The major line items that changed this year were professional services due to enhancements to the permits and inspections software (\$42,000) and mediatract which is a subscription service that they are budgeting for that will allow them to broadcast Board of Commissioner meetings on the internet. The GIS project line item has gone down because in the current year they funded \$50,000 for the orthophotography which is in its final quality assurance this week and hopefully will be available for viewing in the next week or two.

CJPP

Selena Coffey explained that two years ago the Board of Commissioners made the decision to include county funding for the CJPP Program to support the pre-trial release program. That is something that staff recommended to zero out as far as the county funding portion of that this year for two reasons. One is that with the implementation of the new Public Defender Program one of their charges is to do pretrial release and to work with the detention center in that way so they are actually providing more of that now. One of the other reasons is that they are working on some legislation right now that will limit the amount of time that folks spend in the jail to 72 hours, with or without a pretrial release program and that is one way of limiting the amount of time folks spend in jail before their trial. That's actually \$19,527 in county funding that came out of the recommended budget for that program.

Selena Coffey stated that the CJPP Advisory Board has recommended that the grant application go forward with 80% time on behalf of the person that's in that position, managing the program. So she will actually go to 80%, basically four days a week, in order to provide more treatment money and less salary money in that grant.

Dues & Non-Profits

The Board reviewed the dues and non-profit contributions.

Economic Development

There was some brief discussion regarding economic development.

Public Hearing

A public hearing on the budget is scheduled for Thursday night, May 29 at 7:00 p.m. It appears the Board is ready for the public hearing. Staff will get some information to the Board prior to the public hearing, i.e. fuel information.

Adjourn

Chairman Moyer made the motion to adjourn the meeting at 4:56 p.m. All voted in favor and the motion carried.

Attest:

Elizabeth W. Corn, Clerk to the Board

William L. Moyer, Chairman