

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
March 19, 2013 – SPECIAL MEETING

The Board of Commissioners of Transylvania County met in special session on Tuesday, March 19, 2013 at 7:00 p.m. in the Rogow Room at the Transylvania County Library. The purpose of the meeting was to review the FY 2014 budget requests.

Commissioners present were Jason Chappell, Chairman Mike Hawkins, Daryle Hogsed and Page Lemel. Vice-Chairman Larry Chapman was out of the country on business. Also present were County Manager Artie Wilson, Finance Director Gay Poor, Human Resources Director Sheila Cozart, Finance Accountant Abbey Owen, and Clerk to the Board Trisha Hogan.

Media: *The Transylvania Times* – Eric Crews

There were approximately 50 people in attendance.

CALL TO ORDER

Chairman Mike Hawkins presiding called the meeting to order at 7:04 p.m.

WELCOME

Chairman Hawkins welcomed everyone to the meeting. He explained the purpose of the meeting and briefly reviewed the meeting agenda. He also introduced Commissioners and staff in attendance.

LOOK AT FY 2013

The Manager reported that Department Heads and staff have been working on the budget process for about six weeks. The Manager recognized the Department Heads in attendance.

Commissioners last received an update on the status of the FY 2013 budget about one month ago. Finance Director Gay Poor reviewed the latest estimates for the current FY 2013 budget.

When staff first developed the FY 2013 budget, projected revenues were expected to be \$39.104 million and expenditures were expected to be \$40.067 million. This left the County in a deficit position in the amount of \$963,000. Commissioners elected to cover the deficit with the use of Fund Balance. Based on the latest information, staff projects revenues to be \$40.233 million and expenditures to be \$40.177 million, giving the County a slight surplus of \$56,000. The revenues are responsible for this improvement. Additional revenues total \$1.129 million. Expenditures are also up slightly by \$110,000 more.

Ms. Poor reviewed in detail the reason for these variances as follows:

<i>Revenues</i>	<i>Impact</i>
• Medicaid Hold Harmless	\$309,000
• Sales Taxes	\$192,000
• Housing of inmates from other areas	\$123,000
• EMS fees	\$ 75,000
• Inspection fees	\$ 28,000
• New Adventure Learning Center fees	\$ 30,000

• Health grants	\$ 85,000
• NC Rural Center Grant (BR Comm Health)	\$ 57,000
• General Assistance	\$ 54,000
• Other	<u>\$176,000</u>
	\$1.129 million

In FY 2007-2008 Medicaid funding reform legislation was passed which eliminated the County's share of Medicaid payments. In exchange counties had to give up part of their sales tax revenues. However, the legislation included a provision that counties were guaranteed to receive a benefit of at least \$500,000. Predicting the amount due to the County each year is very difficult and the County did not receive any payment for two of the last five years. Last year the County received \$576,000 in Medicaid Hold Harmless Funds. Last week, Ms. Poor received word that the County should expect to receive \$576,000 in March and should receive the total amount for the year in August in the amount of \$640,000. Staff budgeted only \$331,000 so this is a huge increase of \$309,000 for FY 2013.

Sales taxes have been much better this year than anticipated. The FY 2013 budget included a 2% increase over FY 2012 actual figures. Through December, there has actually been a 6% increase. For the remainder of the year, Ms. Poor used an inflation factor of 3.5%. She hopes this will be the case, but she said typically in the latter part of the year there are more refunds of sales taxes to nonprofit entities which actually reduce the sales taxes that are distributed to the County. Each percentage point is worth about \$53,000. Overall, there should be an increase of 3.6% over what was originally budgeted for FY 2013 and about a 5.1% increase over actual FY 2012.

When staff began working on the budget, there was no commitment from other counties or from the State Inmate Confinement Program for housing inmates; therefore staff was hesitant to budget any amount for those potential revenue sources. Fortunately, the County has had the opportunity to house inmates through the State Inmate Confinement Program and staff is estimating the revenues to be approximately \$90,000 this year. The County has also housed inmates for other counties and revenues from that are anticipated at \$38,000.

Staff continues to see in an increase in the total number of EMS transports. The assumption for the estimate reflected a 10% increase over what was expected when staff built the budget last year. There is actually a 2% decrease expected in Medicare and Medicaid fees starting April 1 as part of sequestration. Overall, due to the volume, staff anticipates additional revenues of approximately \$75,000.

Inspections fees are projected to be somewhat higher by \$28,000, but this comes from one big project and is not indicative of a change in the trend in construction.

New Adventure Learning Center fees are expected to be \$30,000 higher due to NC Food Service revenues and Pre-K funds.

The Health Department received several grants this year that were not anticipated when the budget was put together. These additional revenues total \$85,000.

The County received a grant from the NC Rural Center in the amount of \$57,500 for Blue Ridge Community Health Center.

In the Department of Social Services there are a lot of different programs that receive State and federal funding. Some program revenues are up and some program revenues are down. Overall the revenues are projected to increase by \$54,000.

Other revenues are expected to be up by minor amounts throughout the departments totaling \$176,000.

<i>Expenditures</i>	<i>Impact</i>
• Health Grants	\$ 85,000
• NC Rural Center Grant (BR Comm Health)	\$ 57,000
• School Resource Officers (BRCC & TCHES)	\$ 34,000
• Retiree Health Insurance	\$ 66,000
• Other (favorable)	- <u>\$132,000</u>
	\$110,000

As with the revenues, there are expenditures associated with the grants as well. The revenues and expenditures for the Health Department and NC Rural Center grants are offsetting.

During the year, the County added two School Resource Officers, one each at Blue Ridge Community College and TC Henderson Elementary School. This added expenditures to the budget in the amount of \$34,000.

Retiree Health Insurance claims have increased quite a bit. In FY 2013, staff included another \$66,000 related to those higher claims.

Fortunately, there are several minor variances scattered throughout the departments that were favorable, which reduced the increase in expenditures to \$110,000.

FY 2014 NEEDS/REQUESTS

REVENUES

Ms. Poor reported that staff does not expect any big changes in revenues for FY 2014. The Tax Administrator projects the tax base to remain flat at \$6 billion. The tax collection rate will remain at 99.5%. Sales taxes are estimated to grow 2% over FY 2013 actual figures. The expected increase is approximately \$93,000. Ms. Poor already took out the Article 44 taxes that the County will not receive next year from this estimate. Nonetheless, it is an improvement. Medicaid Hold Harmless funds were reduced for next year to \$550,000 because this is a difficult figure to predict. As the budget moves forward she hopes to receive firmer figures from the State. Other revenues should also remain flat. The bottom line is staff is not predicting a significant increase in revenues for FY 2014.

The Manager reminded Commissioners that this is the early stages of the budget process. In April, the County will receive information from the NC Association of County Commissioners and the NC Department of Revenue and they will suggest counties consider certain items in terms of sales tax growth, etc. These figures represent the best estimates from the State and other areas. The key point being that staff does not estimate a growth in the revenues for FY 2014.

MANDATES

A few years ago the State reported that the retirement fund was not growing at the anticipated rate. So at that time, the State raised the retirement rate significantly. Last year, the rate dropped somewhat. For FY 2014, the State has advised the County to increase the retirement rate for general employees by 4.9%, from 6.74% to 7.07%, and to increase the rate for law enforcement officers by 9.6%, from 6.77% to 7.42%. The dollar impact to the County is projected to be approximately \$49,000.

Another mandated addition is related to unemployment insurance. To honor the increased volume of unemployment insurance claims and benefits that resulted from the recession, the State had to borrow \$2.5

billion from the federal government. Now in an effort to manage that debt, the NC General Assembly recently passed a package that includes changes in the way counties report and pay their unemployment insurance. Beginning next year, the County will remit to the State 1% of taxable wages for each employee until it reaches \$209 per employee. This will go into a special reserve fund set up by the State. The County will make these payments quarterly and will do so until the total amount in the reserve for Transylvania County reaches 1% of its annual taxable wages. Next year, the County will see a significant increase to the budget in this area. In addition, next year the County will have to pay unemployment insurance as it has done in the past. Next year will be a double impact to the County in terms of paying unemployment insurance.

The Board of Elections has seen some mandated changes as well. The Voter ID Bill is expected to pass and the County expects an additional \$15,000-\$16,000 related to that. Also, there are additional training and travel costs that will be required because of new members on the Board of Elections and because of new proposed legislative changes they will need to receive information about.

Staff added another \$120,000 for retiree health insurance. This is driven by the increase in claims and it is the County's obligation to fund this.

In addition, the request for FY 2014 includes \$84,000 for electronic medical records. Currently, electronic medical records have not been statutorily required; however there are some compliance issues in Medicare reimbursement implications. Medicare announced it will start imposing penalties in FY 2014 for information that is not in electronic form. It is assumed that Medicaid will follow suit. It is also likely that under the Affordable Care Act those agencies that receive State and federal funding will have to comply with the electronic medical records in order to continue receiving funding.

Another impact of the Affordable Care Act is \$65,000 to the County's health insurance costs. That amount is used to cover costs related to transitional re-insurance fees and women's health benefits.

The total mandated changes to the FY 2014 budget are approximately \$408,000.

EDUCATIONAL NEEDS

The Manager provided a brief update on the budget requests for education. Commissioners held a joint meeting with the Board of Education on May 5 to hear their initial budget needs.

In current expense, the Board of Education is anticipating an increase in the County appropriation of \$509,333. The Manager detailed the anticipated increase in current expense as follows:

<i>FY 2014 Budget Changes</i>	<i>Increase in County Appropriation</i>
• Retirement Increase (14.23% to 14.59%)	\$ 17,001
• Health Insurance increase (6% to \$5,504)	\$ 28,962
• Unemployment insurance rate change	\$ 26,500
• TC Henderson SRO	\$ 52,702
• Increase in State discretionary reduction	\$ 39,200
• 2% COLA increase	\$ 75,506
• BES Asst. Principal	\$ 71,903
• Appropriated fund balance (partially restore FY13 cut)	<u>\$197,559</u>
Increase over FY 2013	\$509,333

The Board of Education also anticipates an increase to the Child Nutrition Program and they continue to review this program. They also may request additional school nurses because the school system does not currently meet the nurse to child ratio as recommended by the State.

The Board of Education's larger request is in capital. They are working on a two-year capital plan. The Board of Education needs \$2.6 million to meet capital needs in FY 2014, \$2.1 million of which would be appropriated by the County and the remaining to come from lottery funds and their capital fund balance. The Board of Education anticipates they would need \$2.4 million for capital in FY 2015.

The Manager noted the Board of Education intends to reduce its fund balance significantly to meet current expenditures. As of June 30, 2012 the Board of Education's general fund balance totaled \$1.8 million. If they use \$1.1 million in FY 2014, that leaves a balance of \$737,000. They will not be able to continue to draw down the general fund balance after FY 2014. Their unassigned fund balance for capital totaled \$455,000 as of June 30, 2012. For FY 2014, the Board of Education expects to use \$103,000, leaving a balance of \$352,000. The Manager pointed out that the Board of Education has been working with the Board of Commissioners for the past two years to draw down their fund balance, but those fund balances will be very low by the end of the next fiscal year.

The Manager also presented the budget requests from Blue Ridge Community College. Their operational expenditures for FY 2014 remain the same as FY 2013 at \$268,378. They requested \$128,000 in capital, which is \$120,000 more than FY 2013. The reason for the increase is to replace doors and locks with fire doors and locks, to repave the parking lot, and to renovate the library and some storage offices. The Manager reported that he received some information today from the President of Blue Ridge Community College, Dr. Molly Parkhill, about the possibility of constructing an industrial technology building on the Transylvania County campus. A building of this nature would cost roughly \$1.9 million to \$2.4 million. He expects further discussions to occur and for the construction to possibly come within the next two years.

PERSONNEL REQUESTS

Human Resources Director Sheila Cozart reviewed the personnel requests. Department Heads presented preliminary requests for 16 new positions, as well as requests for additional hours and reclassifications. These requests total \$790,309. Additional revenue would be generated for some of these positions. She reviewed each request in detail as follows:

Positions

Tax Office-Property Appraiser

Last year during budget discussions there was a request for two positions in this department. One of the positions was a reappraisal manager which was funded in FY 2013. This year the Tax Administrator is requesting the second position for a property appraiser to assist with completing the in-house revaluation. There is a significant savings to the County to complete the revaluation in-house, rather than contract out for this service.

Register of Deeds-Deputy Register of Deeds

This position is not a new request. It was a position that was frozen during the hiring freeze in 2011. In the last two budget years, this position was approved as a one-year temporary full time position. The position is currently filled. The cost difference would be benefits only.

Fire Marshal-Fire Inspector 19.5 hours to 30 hours

A part time inspector works in the Fire Marshal's office for 19.5 hours per week. The request is to increase the hours to 30 hours per week, which would also include benefits, thus adding to the headcount.

EMS-4 Paramedics (including OT & Holidays)

EMS is requesting an additional four paramedics. The justification is based on the increased call volume which has subsequently increased the revenues in this department. There have been times when Brevard Rescue Squad has had to cover calls when there was no ambulance available.

Animal Services-Shelter Manager

This position has been anticipated with the opening of the new animal shelter which is slated to open in late spring or early summer. This position would be essential to the operation of the shelter, working with the animal care groups to manage the stray animal population and working with volunteers and the inmate work crew who will do much of the cleaning services at the shelter.

Planning & Economic Development-County Planner

This position was previously budgeted. When the former County Planner retired, this position was frozen. The position is currently being contracted part time. The request is to reinstate this position to a full time position.

Health Department-Public Health Nurse (2-School)

For a number of years there has been discussion about bringing the ratio of nurse to student population up to 750 which is the State average. The State average is currently not being met. The two additional school nurses would meet the recommended ratio.

Health Department-Q&A Technician

Due to continued State and federal regulations and standards, this position would be responsible for making sure the Health Department is in compliance with all the requirements, as well as focus on emergency preparedness. In the past the County has received emergency preparedness monies for a contract position. If approved, these monies would be applied to the salary and benefits for this position, which would help to offset about half the cost of this position.

Health Department-Social Worker I

This position would specifically provide case management services for patients, data analysis and reporting to Community Care of WNC for Pregnancy Care Management and Care Coordination for Children programs. Staff is finding that nurses are providing more clinical services within the Health Department and this position would relieve the nurses and allow them to do the things they need to do to provide care.

Social Services-IM Caseworker II (2)

Since the recession, the Department of Social Services has seen significant increases in caseloads for social services programs. Commissioners have approved some temporary assignments in the past, as well as added positions to attempt to keep up with the increased caseloads. The State standards indicate the County has a shortfall of three caseworkers. The department is averaging an additional 196 cases per month, in addition to the ongoing cases. This request is driven by the increased demand for these services.

Social Services-Social Worker III

Earlier Commissioners approved a temporary full time position in the Child Protective Services unit for the provision of foster care services for children in the County's custody. At the time, there were not enough Social Workers to take care of the additional caseload. The caseload has decreased slightly but it still requires this position to maintain adequate supervision of children and for their care.

Reclassifications/Additional Hours*Facility Maintenance-2 months overlapping salary*

This is a request for additional hours because of an overlap of hours for a two-month period of time before the retirement of the current Lead Maintenance Technician.

Sheriff-SRO Sgt-Reclassification

Currently the SRO Division does not have a second in command and there is a lapse in the span of control when the lieutenant is off or unavailable. The SRO Sergeant will ensure unity of command and maintain efficient management of personnel.

Health-Reclassify AOI to DSS Business Officer

The request indicates there are significant changes in the standard operating requirements of that position.

Health-Dental Asst to Dental Hygienist

Currently there is no person allocated full time to this position. If the position is reclassified, the hygienist could work under a supervising dentist and could go into the schools to do dental work without having a nurse with them. A dental assistant must be accompanied by a nurse to work in this program.

Recreation-Rec Asst 20-30 hours

This position is currently budgeted for 20 hours per week. The request is to increase the hours to 30 hours per week. The Recreation Department continues to see an increase in the use of recreational activities. The position is currently filled and was paid by the Land-of-Sky Regional Council but the County was informed that the program will cease to be funded after the fall of 2013.

Library-Part Time Library Asst and Pages

This is a request for additional hours for library assistants and pages. The Library Director requests restoring hours to keep the North Carolina Room open during lunch hours and on Saturdays. The Children's area is also chronically short staffed and this area struggles to find coverage to allow lunch breaks.

Library-Part Time Security Patrol

Staff is struggling to be both librarians and security guards. The number of incidents occurring at the library is increasing steadily.

Next Ms. Cozart presented a request for salary increases. Last year Commissioners implemented the first salary increase for employees since 2008. She provided relevant information about salary increases in Social Security and other counties. As of January 1, 2013, those receiving Social Security benefits got an increase of 1.7%. Each year Ms. Cozart also reviews the Consumer Price Index. The nationwide average indicates an increase of 1.9% and the southeast region with populations less than 50,000 averaged 2.4%. Also, the Board of Education is expecting a salary increase of 2% for their State employees. Surrounding governments are also anticipating some type of increase (Jackson County-2%; Henderson County-2.5% plus 1-2% merit increase which would be a lump sum compensation; Buncombe County-1.7% on April 1, 2013; Macon County-implementing compensation study; City of Brevard-2.5%). Staff proposes a 2% increase for County employees.

Lastly, Ms. Cozart discussed the health insurance changes that are expected for FY 2014. The County will be experiencing increased costs next year and in subsequent years related to the Affordable Care Act. In the coming year, the County is anticipating the additional benefit of women's health benefits. The value of that based on Blue Cross and Blue Shield's recommendation is \$25,818. Also, there is an anticipated cost associated with transitional reinsurance fees totaling \$39,375. This is a fee the County will be paying for high risk claimants that are anticipated to go into the health insurance exchanges that are being developed in states and /or with the federal government. That fee will be paid by any self insurance group. Another small fee in the amount of \$630 for "comparative effectiveness research" will be assessed to the County. There are some fees, though, that because the County is self-insured that the County will not be required to pay which amounts to approximately \$156,000.

Last year Commissioners made significant changes to the employee health insurance plan. The County transitioned to providing two different plans. One is a co-pay plan. The other plan is a deductible plan and the only co-pays in that plan are for primary care as to not discourage people for seeing their primary doctor when needed. Based on the estimate, the budget is on target with where staff expected to be, meaning the changes made in FY 2013 worked. In the upcoming year, based on the information from Blue Cross and Blue Shield, staff anticipates an increase of 9% in the claims area, which is the medical trend. There is also an increase in the stop loss administration fee. The total expected increase, including the impact from the Affordable Care Act, is \$307,635. Ms. Cozart informed Commissioners she intends to bring a request to them at their next regular meeting on March 25 which requires their approval. Because of the Affordable Care Act, as an employer the County is required to give SBC's (Summary of Benefit Coverages) to all employees by May 1. In order for Blue Cross and Blue Shield to produce this information for the County, the County must sign appropriate contracts before the end of March. She will also bring forth a recommendation to Commissioners about a long term solution staff has been working on to reduce health insurance costs which involves opening an employee health clinic.

CAPITAL REQUESTS

Ms. Poor reviewed the capital requests. She noted that Department Heads have kept their capital requests to a minimum over the last several years. Because of the economic conditions, staff has continually delayed several items but some items cannot be delayed any longer.

The FY 2013 budget included \$632,000 for capital items from the General Fund and \$93,000 for Solid Waste for a total of \$725,000. For the FY 2014 budget, Department Heads have requested \$1.182 million in capital requests from the General Fund and \$233,000 in Solid Waste for a total capital request of \$1.415 million. This is \$690,000 more than FY 2013.

Ms. Poor discussed the requests in greater detail. Departments replace vehicles that become old and costly to keep running. The request for FY 2014 is for 13 vehicles. There is an overall decrease in the dollar amount related to vehicles because the FY 2013 request included an ambulance which is a costly vehicle. There was also a transportation van budgeted in FY 2013 that is not being requested for FY 2014. Of the 13 vehicles being requested, six of them are replacements (1 Social Services, 5 Sheriff's Office). The other seven would be additions (1 Sheriff's Office-for the TC Henderson Elementary SRO; 1 Tax Office for use during the revaluation process; 5 Health Department for school nurses and case management nurses).

Other capital requests include the OVRD (onsite voter registration database) system for the Elections Office which is a continuation of a project that began last year. The \$15,000 requested would enable 13 of the 15 precincts to be set up with the OVRD system during the elections. The Tax Office has requested \$60,000 for pictometry which is an aerial image capture process that generates images of all sides of buildings and locations. This is something that can be used by the Sheriff's Office as well. The Maintenance Department has requested additional funds in the amount of \$85,000 for parking lot and road repairs. This is also a continuation of a project that began last year. In FY 2013, the parking lot at Child Development was repaved. The budget for FY 2014 includes monies for paving the parking lot at the Register of Deeds/Tax Office and to pave the access road to Parks and Recreation. Also included in the FY 2014 request is \$38,000 for a roof replacement for County Administration and new windows for the Register of Deeds/Tax Office. The Health Department has requested funds for an electronic medical records system.

The largest capital request for the FY 2014 budget is \$363,000 for the community park. Half of the funds for this project will be provided by the PARTF grant.

The Solid Waste Department has requested a new roll off truck which is costly at \$135,000 and a pickup truck to use at the landfill.

These items bring the total increase in capital requests for FY 2014 to \$701,000. The Manager reminded Commissioners that these are the requests. Staff will be working with Department Heads over the next few weeks to refine the requests.

The Manager also shared with Commissioners other capital requests that will be necessary over the next two years. There are some major items Commissioners should be aware of now. One of the key items is updating the systems within Communications. In FY 2015 staff expects to make a major upgrade to the console. Communications staff has also requested a simulcast system in order to broadcast to all towers. It is costly at \$500,000 and staff will be seeking funding from the E911 Board. In FY 2016 staff will seek to upgrade the 911 system to the tune of \$400,000. Monies for this may also come from E911 funds. The Board of Elections intends to replace voting machines in FY 2016 which is expected to cost \$500,000. Some of the other items include replacing the projection system and the carpet in the Rogow Room at the Library. The other large item is a new compactor for the Solid Waste Department at a cost of \$600,000.

In addition to these items, Commissioners have been discussing space needs. The number one priority has been trying to gain space for court functions. In order to accommodate the overcrowding situation, Commissioners have discussed renovating the old Library for County Administration and then remodeling the current Administration Building to use for court functions. A rough estimate for the old Library renovations is \$1.6 million and another \$4 million to renovate the Administration Building. The Manager also reminded Commissioners that Blue Ridge Community College has begun discussing the need for a new building at the Transylvania County campus. He also mentioned for consideration in future years the possibility of a branch library location in the upper end of the County and additional space for the Elections Office. The Manager wanted to make Commissioners aware of these future capital items, noting that the school bonds will be paid off in FY 2017-2018 which may provide additional funding for some of these projects.

COMPUTERS/PRINTERS/SOFTWARE

Finance Accountant Abbey Owen reviewed the capital requests for computers, printers and software. The request for these items is \$148,000 greater than the FY 2013 budget.

Staff requests to replace computers older than five years and used on a regular basis. There are 92 computers older than five years, but the request is to replace 50 at this time because those are the ones used most regularly. In addition, there is a request to replace nine mobile data terminals used in vehicles (5 Sheriff's Office, 4 EMS). There is a request for 17 new tablets, 10 of which would be used for the new paperless agenda system staff intends to implement later in the year. The others would be used in the Health Department and Social Services for electronic medical records. In addition, there is a request for four new computers in the Tax Office and Social Services, all related to anticipated new positions. Library staff is asking for 24 laptops for the computer labs. The current laptops are seven years old and are heavily used. The Building Department has requested a new printer and the Social Services Department has requested three new scanners.

Software maintenance is needed for the CSI accounting software in the Finance Department, the onsite ballot printer for the Board of Elections, the yearly contract for the County's backup system, the online patient care reporting service in EMS, electrical medical records software in the Health Department, and the new identification system in the Library. The cost to cover the software maintenance for these items is nearly \$42,000.

The remaining costs come in computer software. A large portion is \$13,000 for "cloud" email exchange for the employees' email accounts. Another \$6,000 is for the new narcotics investigations and funds management software.

Ms. Owen stated that staff continues to look into the latest solutions and technology that is ever changing and to keep up with the emerging “cloud” based technology.

The Manager recapped the requests for the FY 2014 budget. The requests are \$4.858 million over FY 2013. There are no major requests for economic development at this time as staff is beginning its discussions about recommendations and next steps for Commissioners to consider. The Manager noted that he has met with each Department Head to receive their budget requests and staff will work to refine the budgets requests over the next few weeks. Another planning workshop is planned for April.

DISCUSSION ON REQUESTS, QUESTIONS TO DEPARTMENT HEADS, DIRECTION

Commissioner Lemel inquired about the costs for the electronic medical records because the cost was listed as \$59,000 but it is also listed as \$84,000 under mandated items. Ms. Poor explained that \$17,500 covers the maintenance contract which will be an ongoing cost each year. There is also \$7,000 included for the new tablets.

Commissioner Lemel asked Sheriff Mahoney how an SRO’s salary compares to a deputy’s salary. Sheriff Mahoney reported that the salary is the same. SRO’s are also considered deputies and during the summer when school is not in session, SRO’s are used to fill in for officers on vacation. They operate the SHIELD and DARE camps and use the summer months to take their mandatory training.

Commissioner Lemel asked Health Director Steve Smith how many public school nurses there currently are. Mr. Smith said there are three nurses and he clarified their positions in the school system.

Commissioner Lemel inquired about the number of employees in the Animal Services Department. Ms. Cozart reported there are three employees in this department. There is one lead animal control officer and two patrol officers. The shelter manager would become the fourth employee in that department.

Commissioner Lemel asked Ms. Poor to review the vehicle requests again. Ms. Poor explained there is a request to replace a vehicle in Social Services and five patrol cars in the Sheriff’s Office. There were also six additions. One would be for the SRO at TC Henderson Elementary. There is another request for a four-wheel-drive vehicle for the Tax Office for the revaluation process. The Health Department has requested five new vehicles. Three of them would be for the school nurses and two for case management nurses.

Commissioner Lemel clarified that the cost is \$9,381.87 per member per year for health insurance and average claims per subscriber of \$8,596. She asked if the administrative costs were included in the annual member cost. Ms. Cozart reported that they are.

Commissioner Chappell asked if the County had received any guidance from the School of Government regarding charter schools. The Manager reported that the School Government informed him that the County is not authorized to provide any funds directly to charter schools. Charter schools can contract with counties but counties cannot provide funds directly to them. The Manager noted there has been no official request from the charter school for any funding.

Commissioner Chappell also asked if there has been an update or direction about possible State or federal legislation regarding Safe Schools. Staff was unaware of any funding available for this initiative.

Commissioner Lemel inquired about unemployment insurance. With regards to the \$209 per employee, she inquired if this was a pass on the general percentage of wages the County would normally pay or if it was in addition to the normal contribution. Ms. Poor said the first year it is in addition to the normal

contribution. In FY 2013 the County paid a little over \$13,000 which is built into the budget. In addition the County must pay \$209 per employee. This is calculated as 1% on taxable wages of employees up to a maximum of \$209 per employee. This money should go into a reserve set up for each county and grows until the fund reaches the level of 1% of all taxable wages for County employees. When unemployment insurance payments are due, the County will draw down that fund and then replenish the reserve equal to 1% of annual taxable wages. The reserve fund would need to have approximately \$1.4 million to meet the 1% requirement.

Chairman Hawkins asked a question related to fleet management. He asked if there was a way to look at fleet management and vehicle purchases and the potential use of shared vehicles. He wondered about the possibility of a pool of vehicles that could be shared by County departments. He mentioned the request for three new vehicles for three school nurses. The Manager assured Commissioners that staff will be looking at these requests very closely over the next few weeks. Where vehicles can be shared, they will be. In some cases, maybe the County could pay an allowance for mileage rather than purchasing a new vehicle. Staff will review all options to manage the County's fleet of vehicles. He noted that the Sheriff does a good job of managing the vehicles within his department and he has implemented a phase down plan. Older vehicles in some departments are passed down to other departments.

Chairman Hawkins commented that the Goldsmith Report indicated the County has a backlog of needs that has not been addressed over the years and it was suggested the County address these issues pertaining to economic development marketing, inventory and infrastructure. He was thinking about this report while staff reviewed the personnel requests because many of these requests have come before Commissioners in past budget requests. He wondered if these areas were similar in that the County has deferred needs that should be addressed. Chairman Hawkins believed Commissioners would hesitate to add 16 positions in a single budget; however if the need for these positions exist he wondered how a plan could be put together to address staffing over the next few years. The Manager agreed with Chairman Hawkins' assessment. He said for the last several years the County has not had the resources to do many things that were needed and there is a true need for resources. He is also trying to understand and prioritize staffing issues as the budget is refined and determine how to meet the needs of the various departments. The Manager also reminded Commissioners that significant reductions were made to the County's budget in 2002 as a result of the plant closures. He commended departments for continually providing quality services, but noted that staff is overstretched to provide the services citizens want.

Commissioner Hogsed asked Mr. Smith about the current school nurse to student ratio. Mr. Smith reported that the current ratio is 1,500 students per school nurse. The school system pays for one school nurse and the County pays for two additional school nurses for the general student population. The County also currently pays those nurses mileage to use their own vehicles.

Commissioner Hogsed also inquired about the request to reclassify the dental assistant to a dental hygienist. He wondered if the County would be restricted from contracting with Blue Ridge Community Health. Mr. Smith said this is certainly a possibility. The agency is mostly focused on community outreach. He noted that a dental hygienist is able to provide more services than a dental assistant.

Commissioner Hogsed asked if the Library already had part time security patrol. Library Director Anna Yount said there is currently no security patrol. Her request is for a part time position to patrol the grounds. She explained this is a common practice for libraries. For instance, the Henderson County Library has patrol three hours per day for five days a week.

Commissioner Chappell clarified that the request for an Assistant Principal for Brevard Elementary School was a State funded position that was reduced during budget cuts. Staff reported he was correct.

Chairman Hawkins discussed the next steps. Commissioners will meet again in April to receive more refined numbers. The Manager informed Commissioners that the budget team will meet with Department Heads and school officials to refine and prioritize the budget requests. Also over the next month, staff hopes to have additional information from the State.

Commissioner Lemel noted that some members of the Board of Education were in attendance. She informed them that she intends to send them a request for three different types of budgets in order for her to better understand their budget process. In the first type of budget, she asked to see the major expense categories and how those categories are funded by each level of government. For the second budget, she wanted to see how much it costs to operate each individual school. The third budget she requested was a total budget but formatted to be in line with their annual audit.

Commissioner Hogsed asked if the request for a salary increase was a 2% increase across the board for all County employees. Ms. Cozart said there is not a specific request at this time. The request is for funds totaling 2% of the base salary. There has been some discussion with Department Heads about how to implement this so at this time the request is for a pool of money equaling 2%.

Commissioner Hogsed thanked Department Heads for attending this meeting and for their hard work in putting together their budgets. He also thanked them and their staff for their service to the County.

PUBLIC COMMENTS

Lee McMinn: Mr. McMinn expressed appreciation to staff for continuing discussions about the renovations of the old Library and Administration Building; however he was disappointed that these projects seem far out. He said he knows the County has funds set aside for these projects and that the County's fund balance has enough funds to do many things, while having one of the lowest property tax rates in the State. Because he believes these projects are worthwhile, he urged the County to move forward with these projects which will in turn put people to work.

COMMISSIONERS' COMMENTS

Commissioner Chappell thanked the members of the Board of Education in attendance and expressed appreciation for the working relationship between both Boards.

ADJOURNMENT

There being no further business to come before the Board, **Commissioner Lemel moved to adjourn the meeting, seconded by Commissioner Hogsed and unanimously carried.**

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board