

## MINUTES – JUNE 27, 2011

The Caswell County Board of Commissioners reconvened its meeting at the Historic Courthouse in Yanceyville, North Carolina at 5:30 p.m. on Monday, June 27, 2011. Members present: Nathaniel Hall, Chairman, Kenneth D. Travis, Vice-Chairman, Erik D. Battle, William E. Carter, Jeremiah Jefferies, Cathy W. Lucas and Gordon G. Satterfield. Also present: Kevin B. Howard, County Manager, Gwen Vaughn, Finance Director and Angela Evans representing The Caswell Messenger. Paula P. Seamster, Clerk to the Board, recorded the minutes.

### MOMENT OF SILENT PRAYER

Chairman Hall opened the meeting with a Moment of Silent Prayer.

### PROPOSED BUDGET FOR 2011 – 2012

Chairman Hall stated “Fellow commissioners through our last budget workshop we completed our review of the budget as prepared and as submitted. Tonight we will start with any recommendations that any Board members would like to bring forward. Just be mindful that the year ends on Thursday. We spent this month doing our reviews and now we need to take some action.

Commissioner Satterfield asked how much the estimated amount would be for an ambulance remount. Mr. Howard responded that it would cost around \$110,000.00. Commissioner Satterfield stated that they have 5 ambulances listed but he wanted to know how many ambulances EMS is using. Mr. Howard responded that they rotate them out. They use 3 during the day and then rotate those out at night so that they are not running 24 hours at a time. Commissioner Satterfield asked if EMS had enough staff to man 3 ambulances at any given time. Mr. Howard responded that there is enough staff to man 4 and they can call people in if they need to man 5 ambulances.

(At 5:35 p.m. Commissioner Carter entered the meeting.)

Commissioner Lucas stated “Chairman Hall I put together the same sort of information that you did at the last meeting, proposed changes to the budget. I would like to go over it if I could. What brought me to consider this was when I pulled out the audit from last year where it says in the changes of the fund balance budget and actual for the year ending June 30<sup>th</sup>. There was like a five hundred and ninety-nine thousand (\$599,000.00) dollar overage which was over last year. I don’t want to say over budgeted but over taxed is what I call it. I have you copies of that if you would like to look at it for review here tonight. Basically the expenditure side is what I was dealing with. If you will look at the last page that is where you will see the excess of revenue over expenditures of \$599,000.00 and if you will go back through each department you will see that every department was over budgeted for last year. So that got me in the mode of what to do and to look at it in a different light. With knowledge that the bond payment could be almost cut in half, that is a savings of \$207,000. On the bond and interest payment for the middle school, if we could pay that out of lottery funds that would be a savings to the county of \$314,000. That frees up general fund dollars.”

Mr. Howard stated "You can pay it through the lottery funds if the school system agrees to that. There has to be an application signed by both boards to draw on Lottery funds or ADM funds. That is set up through general statutes. You could do this but it would only free up \$150,000.00." Commissioner Lucas stated "I am sure that they would be cooperative with us and work with us on that considering their fund balance, the numbers that we heard at the last meeting." Mr. Howard responded "That was ADM dollars, lottery dollars and their local fund balance."

Commissioner Lucas continued "Eliminate 3 EMT positions and it is my understanding that they are not paramedic positions, that they are EMT positions and the starting pay is \$29,132 for a starting EMT and that total would be \$87,398." Mr. Howard responded "Take into account that we were shifting part time dollars into that to make up part of that money so the total savings would not be a total, we still have slots to fill so you would go back to part time positions instead of full time positions. What we were doing was using part of the..." Commissioner Lucas asked "You have slots to fill, I understand that they are fully staffed?" Mr. Howard continued "No, to make the schedule up for each day we have so many people that need to be there to fill that. What we were doing is so that we would not have so many part time people working was creating 3 EMT positions that are normally filled by part time positions. So not all of the increase, all of the increase to the budget could be saved but you still have to make up those positions in a part time salary instead of a full time." Commissioner Lucas stated "We have been without a director basically, although we have had an interim director, since December and we have hired a new director. My theory there is hopefully he can get in there and manage it better than it has been managed in the last 6 months and find some savings as well and maybe run a tighter ship. I just can't see creating 3 new positions in county government when we have employees that have not had a raise in 3 or 4 years. It just does not register with me. I think it is time to look at the assistant director's position. Does it need to exist? Eliminate the assistance EMS director's position budgeted at \$48,500. The director's salary is now \$50,940 but half of that \$50,940 is paid by Emergency Management so that is \$25,000 in county dollars and 10% of the assistant director's budget comes from Emergency Management. I know you can eliminate the position but I am not sure about how the pay works according to the personnel policy." Mr. Howard responded "If you eliminate the position, the person can apply for unemployment." Commissioner Lucas added "He can also do a step down to one of these slots that you say is open." Mr. Howard responded "Just to refresh the Board's memory, when that position was created about a year and a half ago we did not create any positions due to the shifting around in the department and that position was formed. It was not like we added a new position to the department." Commissioner Lucas asked "But it is a new position right?" Mr. Howard responded "It is a new position but the number of full time employees did not change in the department."

Commissioner Lucas continued "Number 4 is taking into consideration Chairman Hall's recommendation 1, 2, 3 & 5 and the total savings is \$786,490. I checked on the vacant positions in the county right now and there is 1 at DSS and it has been vacant for over a year now but it is in the budget for the upcoming year. There is 1 in the Health Department for a Home Health Nurse that has been vacant for a long time, I was not given an exact amount of time. Does anybody know why this position has been vacant for a long time?" Mr. Battle responded "I think

it is the money, well for what they want. The amount is not enough.” Commissioner Lucas added “This part is just for information purposes. I did not include any deductions there.”

Commissioner Lucas continued “The Sheriff’s vehicles in the capital request is at \$27,700 each and if we will do a lease/purchase like we did back in 2003 for 4 years. I just estimated the principal payment and the interest would probably not be more than \$4000.00. The annual payment would be \$41,550. That would be financed so I did not include that in the total on the right hand side.”

Commissioner Lucas stated “On the salaries we have 209 total full time employees and of these 148 earn less than \$35,000. Any employees earning less than \$35,000 I am recommending that they receive a \$1500 cost of living raise and the remaining 61 receive a \$500, which is a 1% raise. The totals on that is \$222,000 for the 148 employees and \$30,500 for the remaining 61. Also on the Solid Waste fees, we have 8459 households that generate at \$89.00, \$752,851 a year. If we reduced it \$5.00 to \$84.00 we would generate \$709,800 a difference of \$43,000.00 but that would be a savings to the property owner of \$5.00 per year. Then cut the tax rate 3 cents from 65.9 to 62.9. 1 cent generated \$138,885. It would be a savings to the taxpayer \$416,655 for a total of \$669,155 which would leave a balance of \$117,335 to go into the capital fund, which we need for repairs.”

Commissioner Lucas’ proposed Budget changes

	Budget	Savings
1. Detention Center Bond Payment Change Amount	\$352,734	\$207,092
2. Shift Debt Service Middle school bond & Interest	255,000	
Payment out of lottery funds. Sales tax used to fund School capital outlay. Frees up general fund dollars		
3. Eliminate 3 new EMT positions budgeted @ \$29,132	87,398	87,398
Eliminate Asst. EMS Director Position budgeted at \$48,500		
4. Chairman Hall’s recommendations 1,2,3,5		
1. Printer		18,000
2. CDOT fund balance		100,000
3. Solid Waste Fund Balance		50,000
4. Court Facility Fee		<u>10,000</u>
	Savings	\$786,490
5. Eliminate vacant positions if vacant over 6 months		
1 @ DSS vacant 1 year		
1 @ Health Department Home Health Nurse vacant –long time		
5. Sheriff Vehicles 6@ 27,700 lease/purchase over	\$166,200	
6. Salaries: Total full time employees 209. These 148		\$222,000
Earn less than \$35,000. Employees earning less than		30,500
\$35,000 receive \$1500 cost of living raise. Remaining		
61 receive \$500.		
7. Decrease Solid Waste fee from \$89.0 to \$84.00 per 8459		

Households @\$89.00 generates 752,851 @\$84.00 generates	
\$709,800. Difference of \$43,051.	
8. Cut tax rate 3 cents from 65.9 to 62.9. 1 cent generates \$138,885	416,655
	669,155
Caswell County Capital Fund	\$117,335

Commissioner Satterfield asked “Mr. Manager on this allocation of \$100,000 from the CDOT fund balance out to our capital account. Can we do this or not?” Mr. Howard responded “I called Brian Ferrell Friday and asked him about this. The Solid Waste fund cannot be transferred because all solid waste fees have to be used for the purpose of solid waste. You can borrow from it but you cannot take from it. Other funds such as water & sewer, electrical funds, he feels like CDOT falls underneath that you can take money from those as long as you have enough money in there to cover the expenses for the next year. We don’t have that problem with the CDOT fund but you need to consider the part of the fund balance to do the addition we are doing right now and some paving over there.”

Mr. Howard stated “I found out today, CDOT found out about it Thursday in a webinar apparently during a flurry of bills that were passed at the end of the single session DHHS is changing how they handle the Medicaid dollars for transportation and this could affect CDOT and DSS. What they are going to do is they are going to use brokers, private brokers are going to be hired by the state, to handle these funds, two or three brokers for the whole state so where we have staff in DSS that handles that now private brokers will handle this in the future. They are hoping to have this in effect by January 2012. There is a possibility of losing funding in DSS and positions over there. The other aspect is the Medicaid dollars that are allocated to CDOT for the transports that they make, Medicaid based, they will have to turn in a bid for Caswell County. There will be competition if there are any private providers in the county, CDOT will have to bid against them to get those funds. The affect that will have I don’t know. There are no private providers that we know of right now but that is something that is out there that I think the Board needs to know about. Nobody told DSS or CDOT about this, last Thursday Melissa did a webinar online which was going over some changes for next year and this is how we found out.”

Chairman Hall stated “What I would suggest is I made some proposals and Ms. Lucas made some proposals so what we need to do is to narrow them down. If they are not appropriate x them and if the Board is not interested x them because we have to do something by Thursday.”

Each of the commissioners expressed their views on what they felt the Board could do on the budget.

RECESS

The Board held a brief recess.

PROPOSED BUDGET FOR 2011 – 2012 (cont’d)

Chairman Hall stated “We have the budget that is proposed by staff and the county manager. We have two sheets of options, one proposed by myself and one proposed by Ms. Lucas. At least item by item we need to go through these and approve something.”

Commissioner Carter moved, seconded by Commissioner Satterfield to move the \$207,092 to the Caswell County capital fund.

Commissioner Lucas asked “Clarification. We are designating it to the capital account? We don’t feel like it should go towards the employee’s raise.” Chairman Hall responded “That was not a part of the motion.”

Upon a vote on the motion, the motion failed by a vote of two to five with Commissioners Battle, Hall, Jefferies, Lucas, and Travis.

Commissioner Travis stated “Let’s go through this line by line and let’s see who if for and against each one.”

Start with Commissioner Lucas’ proposed budget changes

1. Detention Center bond payment of \$145,642 which would leave \$207,092 to go to something else. Carried unanimously.
2. Eliminate 3 new EMT positions. Failed by a vote of five to two with Commissioners Lucas and Satterfield voting no.
3. Printer for Tax office was not originally in the budget.
4. Transfer \$100,000 of CDOT Fund balance and \$10,000 of Court Facility Fee. Carried by a vote of six to one with Commissioner Battle voting no on the CDOT transfer and an unanimous vote on the Court Facility fee.
5. Eliminate DSS vacant position. Failed by a vote of four to three with Commissioners Carter, Hall, Jefferies and Satterfield voting no.
6. Eliminate Health Department vacant position. Failed by a vote of four to three with Commissioners Carter, Hall, Jefferies and Satterfield voting no.
7. Franchise fee for all businesses. Carried by a vote of six to one with Commissioner Lucas voting no.
8. \$10.00 insurance co-pay for employees. Failed by a vote of one to six with Commissioners Battle, Carter, Jefferies, Lucas, Travis and Satterfield voting no.
9. Appropriate surplus of \$300,000 into revenues. Carried by a vote of four to three with Commissioners Battle, Hall and Travis voting no.
10. Reallocate \$150,000 from School Capital Outlay. Carried by a vote of six to one with Commissioner Satterfield voting no.
11. Cut travel expenses in every department by 2%. Carried by a vote of four to three with Commissioners Carter, Hall and Jefferies voting no.
12. Sheriff Vehicles 4 i/1/o 6. Carried by a vote of five to two with Commissioners Lucas and Battle voting no. Commissioner Lucas wanted to leave the vehicles at 6 and Commissioner Battle wanted to reduce it to 3.

13. Cost of Living Adjustment according to Commissioner Lucas' suggestion. Failed by a vote of one to six with Commissioner Battle, Carter, Hall, Jefferies, Satterfield and Travis voting no.
14. Cost of Living Adjustment according to Chairman Hall's suggestion (1 ½%). Failed by a vote of three to four with Commissioners Jefferies, Lucas, Satterfield and Travis voting no.
15. Decrease Solid Waste Fee from \$89 to \$84. Carried by a vote of four to three with Commissioners Battle, Hall and Travis voting no.
16. Cut Tax Rate 3 cents from 65.9 to 62.9. Failed by a vote of one to six with Commissioners Battle, Carter, Hall, Jefferies, Satterfield, and Travis voting no.

Commissioner Carter moved, seconded by Commissioner Satterfield to accept the changes that were made and to move the excess money over to capital fund. The motion carried by a vote of four to three with Commissioners Battle, Hall and Lucas voting no.

RECESS

At 8:45 p.m. Commissioner Jefferies moved, seconded by Commissioner Travis to recess the meeting until Wednesday, June 29th at 5:30 p.m. The motion carried unanimously.

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Paula P. Seamster  
Clerk to the Board

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Nathaniel Hall  
Chairman

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