

June 9, 2014

The Randolph County Board of Commissioners met at 4:06 p.m. for a special budget session in the 1909 Randolph County Historic Courthouse Meeting Room, 145 Worth Street, Asheboro, NC Commissioners Holmes, Frye, Haywood, and Lanier were present. Commissioner Kemp entered later where noted.

### **Communities in Schools (CIS)**

**Sandi Norman**, Communities in Schools Executive Director, reported on CIS activities and successes during the past year, saying that 12,879 students received services provided by CIS, which is 56.9% of the school population. She said some of the services they provide are Backpack Pals, mentoring, intervention, Reality Store, middle school attendance initiatives in five schools, Choice Bus, book distributions and field trip scholarships. She said they are in their second year of the READS program (all 10 schools), which is the research grant with Harvard University that focuses on preventing summer reading loss, particularly in 3<sup>rd</sup> and 4<sup>th</sup> grade. The number of students receiving ten books during this summer will be 782 (439 last summer). CIS hosted 467 families during family nights, where the entire family was fed dinner and given tips for how to help their children with reading over the summer. Each family received a \$10 Walmart card and was entered for a drawing to win a \$50 Walmart card.

Ms. Norman said that programs don't change people, relationships do, and all of the board members and volunteers are an important part of that. She said that 657 volunteers put in 6,313 hours last year and the return on that kind of investment is significant. Ms. Norman said if you add all the funding they receive and consider every \$1.00 they are given, there is a \$3.55 return on investment.

Ms. Norman said that last year 169 students dropped out of school and that it is an economic impact to the community when they do. She stated that Communities in Schools is not just an investment, but a necessity and asked the Board to consider their full request of \$75,000 instead of only the \$70,000 in the proposed budget.

### **Randolph Vocational Industries (RVI) (formerly Innovative Solutions of the Triad and Sheltered Workshop)**

**Michael Ayers** said that they have asked for \$20,000 this year and realizes that only \$15,000 has been included in the proposed budget. He said they appreciate the generosity of the County for what they've given each year in order to help keep people working.

### **Randolph Arts Guild**

**Diane Villa**, incoming President of the Arts Guild Board, provided a PowerPoint presentation on who they are, what they do, how they do it and why they do it. They are requesting the same amount as last year: \$20,000. She said County funding is vital to the Arts Guild's ability to leverage other grant sources. The Arts Guild operates on a \$320,000 budget, thus the County allotment accounts for 6% of their budget. She thanked the Commissioners for their support.

### **YMCA**

**Patrick O'Hara**, director of the Randolph-Asheboro YMCA, stated that the YMCA is now averaging over 20,000 Randolph County residents/visitors a month at the facility who participate in activities and games. Mr. O'Hara said that programs, activities and services are provided for

children, adults, families, and seniors daily. He said that 2,311 seniors participate in activities to enhance their quality of life and physical well-being. People have attended classes and lectures regarding exercising, fall prevention, CPR certification and many others.

Mr. O'Hara said that the YMCA also provides locker rooms, showers and an indoor swimming pool for practice, regular season swim meets and a regional swim meet for five Randolph County and Asheboro High School swim teams (over 110 student-athletes). The schools do pay a fee to use the facility. He said they have offered father/daughter proms, after prom parties for two high schools, RCC computer workshops for seniors, Special Olympics swimming event, practice facilities for Senior Games, and lock-ins for Boy Scout and 4-H groups.

**Fran Knapp**, YMCA volunteer, spoke in favor of everything the facility has done for citizens of Randolph County. She stated that it is also a vital part of why people often relocate to the County. Ms. Knapp said that it is critical to receive County funding and asked the board to consider their capital request of \$50,000 in order to meet current and future needs to make this the best YMCA for citizens.

### **Family Crisis Center**

**Lisa Bock**, Chair of the Randolph County Family Crisis Center Board, presented a PowerPoint presentation with quotes from children and adults who had received assistance at the Center. She said the amount requested helps provide critical positions for their agency that allow them to meet N.C. General Statutes requirements for the Center. She said that their mission is to serve people who are in crisis from domestic and family violence, sexual assault and rape, while working to eliminate these issues from our community. She thanked the Board for being a partner and asked the Board to approve their requested \$41,000 to continue to fulfill their mission.

### **Randolph Family Healthcare at MERCÉ**

**Teresa Shackleford**, CEO, thanked the Board for the line of credit they extended to them in 2011. The \$215,000 received from the County was used to pay the IRS the entire outstanding balance of payroll taxes on August 31, 2012, and reduced the outstanding aged payables balance to less than the target amount. They have continued to keep their payables within 60 days with all vendors and/or have made payment arrangements to satisfy outstanding payables within the current fiscal year period.

Ms. Shackleford said they have taken the following significant actions for improvements:

- Re-financed their mortgage and lowered the interest rate from 8.5% to 4.75%.
- Reduced capital lease obligations/expenses from \$145,677 in 2012 to \$31,255 in 2014.
- Seeking grant opportunities to fund future equipment needs, rather than long-term capital lease options.
- Began use of an electronic medical records system and billing system, which reduced costs of billing collections.
- Increased revenues by 16.5% and decreased expenses by 8.5%.
- Hired a full-time, permanent dentist/dental director; two part-time, permanent physicians; one part-time, permanent medical director/physician.
- Satisfied all outstanding "conditions" that were attached to the federal grant.
- Received a "clean" audit report for the year ending 8/31/13.

Ms. Shackelford said they still have obstacles to face. They do not generate enough revenue necessary to cover current expenses plus the “old” debt. She asked the Board to consider forgiveness of the \$215,000 loan they were given.

County Manager Richard Wells asked Ms. Shackelford if the Board were to decide to forgive the loan, did she think they would be back next year to ask for additional funds. Ms. Shackelford responded that they are at a breakeven point with revenues and expenses balancing, but couldn't pay off the loan when it comes due in August. She stated she doesn't think MERCE would ask for additional funding the next year.

### **Central Boys and Girls Club (CBGC)**

**Elbert Lassiter**, representing the CBGC, and Thomas Falgout, President of the Club, thanked the Board for their years of support. CBGC currently serves about 223 children who come from low-income homes. He said most kids that are part of the program lack opportunity, which hinders them the most. The club tries to expose them to more than they would be able to if the Club was not there.

Mr. Lassiter said that they have a new director that the kids like and with all the uncertainty surrounding the building, there has been no change of service to the kids. He said they have been making rent payments to the new East Side Homes board for the use of the facility.

### **Westside Fire Department**

**Recil Williamson**, Chief of Westside Fire Department, stated that their treasurer and CPA had a misunderstanding of what type of audit was needed by the County. They have hired a new CPA and will provide the audit as soon as it is received.

Mr. Williamson stated that expenses for the department continue to rise. They will continue to apply for grants to help with equipment replacement. He said that their insurance rating had improved from a nine to a six after hiring some staff with the funds from a grant. He stated that they need to maintain the service to the citizens, but can no longer borrow from savings to meet the budget.

They are requesting 11.5 cents/\$100 valuation, which is above the revenue neutral rate of 10.3 cents.

### **Eastside Fire Department**

**Derrick Clouston**, Assistant Chief of Eastside Fire Department, said they are requesting an increase from nine cents to eleven cents. He stated they would be losing \$32,761,000 in revenue due to the revaluation, but the proposed revenue neutral rate of 9.22 cents would make up the loss. However, the revenue neutral rate would not help them get caught up on things they have been putting off, which are now becoming critical. Such items include increasing fuel costs and workers comp insurance, etc. He presented comparisons of all the County fire departments and their service areas, call volume and budget versus tax revenues.

Mr. Clouston said it is getting harder to recruit and retain fire fighters. He said they want to continue to make a return on investment to the citizens by maintaining their current ISO rating so that homeowners reap lower fire insurance premiums. Eastside would like to be able to start a capital reserve fund and is requesting their tax rate to be set at 11 cents/\$100 valuation.

### **Randleman – Sophia Fire District**

**Nick Holcomb**, Randleman City Manager, spoke on behalf of the newly merged fire service district and Randleman Fire Chief Marty Leonard and Sophia Fire Chief Harris Brown. Mr. Holcomb said the district is requesting a rate of 12 cents/\$100 valuation, instead of the revenue neutral rate of 10.32 cents in the proposed budget, in order to staff the Sophia station with seven full-time and two part-time employees, which would lead to quicker response times and lower insurance ratings. Some items will need to be replaced to meet OSHA standards at the Sophia station. Randleman currently has twelve full-time fire fighters that are employed by the City of Randleman.

### **Southwest Fire Department**

**DeAnna Hurley-Chamberlain**, Treasurer of New Hope Fire Department (Southwest Fire District), requested a tax rate of twelve cents for the upcoming fiscal year. She said the department was established in 1976 by private donations and individual labor. She said they have not asked for an increase since 1989. This increase would allow them to comply with local, state and federal requirements and standards to maintain the quality of service to the citizens as well as the expenses of the department. Ms. Hurley-Chamberlain said that the department has provided a financial statement compilation performed by a CPA since its inception in 1976 and has submitted an audit. She said the audit implementation costs them 6% (\$5,600) of their total budget. Ms. Hurley-Chamberlain said another reason for the requested increase in tax rate is due to the increased cost of their insurance coverage prescribed in the new fire department contract with the County. She said the requested 12 cents/\$100 valuation will not cover all their expenses but would help cover the audit and the insurance requirements the County requires.

### **Recess**

At 5:35 p.m., the Board recessed.

### **Meeting Resumed**

At 6:30 p.m., the Board returned to regular session. Commissioner Kemp entered the meeting.

### **Proposed Budget Public Hearing**

At 6:30 p.m., the Chairman opened the public hearing and invited citizens to speak concerning the proposed budget.

County Attorney Ben Morgan read aloud the rules for the public hearing, which included a five-minute per speaker limit.

**Janet Pate** spoke in reference to the 23 new positions included in the proposed budget. She said she didn't understand how positions were not cut instead of being added, when the County has outsourced some EMS services; the Tax & Tag program, which has the State collecting taxes, and the NCFAST was supposed to streamline procedures for DSS. Ms. Pate opposed the hiring of a grant writer to apply for grants, which takes more money from taxpayers. She opposed the revenue neutral requested increase to the Archdale-Trinity school supplemental tax because she said it is being used other than to create competitive teacher pay. Ms. Pate said that the citizens were not allowed to vote on the school debt that the County has incurred and feels that school construction should be the citizens' decision. In conclusion, she asked the Board to be easy on the taxpayers.

**Lynn Small** said that he was surprised by the large increase in the proposed tax rate. He stated that he did not want any funds coming out of the County budget to pay for State cuts handed down to the County. He said the only way to hold our legislatures accountable is to let the public see what the State cuts mean to programs in the County. Mr. Small said he agrees with accessible EMS service to the entire County, but asked why it was not provided instead of taking two million dollars out of the already low fund balance to construct the Balfour school a few years ago. He said that while new school buildings are nice, they do not result in improved academic performance and the voters were not allowed to consent to the construction projects. He said the County Schools relied on the lottery to pay for school construction projects, but State government has made changes to the formula and used the money for their own budget. He asked the Board to hold the Randleman-Sophia Fire Department to obtaining a better rating so that insurance costs are reduced to their citizens. Mr. Small said that although the tax-deferred farm program is not regulated by the County, he pointed out the lost County revenues for the properties in this program and feels it is being woefully abused in many cases.

Mr. Small asked that the Board consider what property tax increase is fair and justified for the citizens of Randolph who actually pay property taxes on their property with no legal way to avoid them.

**Faye Cox** responded to Mr. Small stating that farmers are an important asset. If there was not a farm-deferred tax program, people wouldn't have food to eat.

Ms. Cox stated that she feels the fund balance needs to be left alone and the borrowing stopped, but at the same time, not to over-tax the people. She said she understands the revenue neutral adjustment and that most will not see an increase in their property tax, but asked that no additional increase be set and suggested cuts to offset the expenses as an individual would do with his own budget.

At 6:52 p.m., hearing no further comments on the proposed budget, Chairman Holmes closed the public hearing.

**Adjournment**

*At 6:53 p.m., on motion by Frye, seconded by Lanier, the Board adjourned.*

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J. Harold Holmes, Chairman

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Darrell L. Frye

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Phil Kemp

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Stan Haywood

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Arnold Lanier

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Amanda Varner, Deputy Clerk to the Board