

STATE OF NORTH CAROLINA)
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COUNTY OF STOKES)
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OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
DANBURY, NORTH CAROLINA
FEBRUARY 29, 2012

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Goals Planning Session in the Third Floor Conference Room of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Wednesday, February 29, 2012 at 10:00 am with the following members present:

Chairman Ernest Lankford
Commissioner Jimmy Walker
Commissioner Ronda Jones
Commissioner James D. Booth

Vice Chairman J. Leon Inman - absent

County Personnel in Attendance:
County Manager Richard D. Morris
Clerk to the Board Darlene Bullins
Finance Director Julia Edwards

Chairman Ernest Lankford called the Goals Planning Session to order.

Chairman Lankford noted that Vice Chairman Inman was not going to be able to attend today's Goals Planning Session due to a business obligation and extended his apologies.

Commissioner Booth delivered the invocation.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

Chairman Lankford opened the meeting by inviting the citizens in attendance to join the Board in the Pledge of Allegiance.

County Manager's Follow Ups

- Manager Rick Morris noted following items needed to be discussed at today's session:
- Animal Control Advisory Council – Goals for the Council
 - Energy Savings Program
 - Qualified Construction School Bonds – Use of funding for roof repairs

- Lottery Funds
- Investment Funding
- CenterPoint – Additional Funding Request for Implementation of the Waiver
- Solid Waste – Research Use of Trash Compactors
- Insurance Benefits for upcoming Fiscal Year 2012-13

Energy Savings Program

Manager Rick Morris noted the following:

- Have lined up two or three companies to discuss their programs
- Will report back to the Board following those meetings
- Unsure if the school is completely satisfied with their program
- School Systems Finance Director Moore is unsure of the exact amount of savings since their program was implemented
- Will check with Director Moore to make sure that savings are covering the debt payment
- Not sure if a similar program would benefit the county

Commissioner Booth noted that he would like to know exactly what kind of savings the school system is receiving before entering into any kind of contract.

Chairman Lankford noted that the school system contracted with a company that furnished all the technology/equipment and agreed with Manager Morris that this type of program may not be beneficial to the County.

Commissioner Walker agreed with Commissioner Booth that the Board needed information about the savings and type of programs available.

Chairman Lankford suggested looking into an energy savings program the school system first used where lights/air conditioning, etc. were monitored when they were turned on/off which produced tremendous savings.

Manager Morris stated that he would provide the BOCC with feedback regarding the different types of programs and savings.

Commissioner Walker suggested looking into the program even if the savings are not that good for the school system; that program could be beneficial for the county.

Commissioner Jones suggested looking into putting timers on the hot water heaters.

Commissioner Booth noted that he was in an agreement with his electrical company where the electrical company can turn off his water heater at their discretion which is a tremendous savings.

Manager Morris noted that he would look into all options and totally agreed with the BOCC that all options should be researched for any possible savings.

Allocation of Lottery Funding

Finance Director Julia Edwards noted the following:

- Lottery funding is allocated per ADM
- It is based on \$69.63 per ADM
- No longer penalized for having a low tax rate

Chairman Lankford noted that NCACC is again working to increase the lottery allocations.

Commissioner Booth noted the need to know exactly how the lottery funding is calculated in order to adjust the financial model and keep the model on track.

Finance Director Edwards noted the county should receive approximately \$482,606 in lottery funding this year and that the county's financial model is based on receiving \$500,000 from the lottery funding.

Investment Funding

Finance Director Julia Edwards noted the following:

- Spoke to Financial Advisor Doug Carter regarding investments
- Advisor Carter noted that currently there is nothing out there better
- Moving \$10 million to a capital management term account next week to increase interest rate from .12% to .24%
- Checked on CDs at several banks, rates are no better
- Can't invest in money markets
- Public funds have certain restrictions

Manager Morris requested the Finance Director to provide the BOCC with the general

statute that regulates financing of public funds.

Chairman Lankford suggested looking into investing partial funding in government bonds which normally yield a higher interest rate.

Finance Director Edwards noted that she would investigate other types of investments and get back to the Board.

CenterPoint Human Services – Request for Additional Funding

Manager Rick Morris noted the following:

- Received a letter from CEO Betty Taylor requesting \$398,820 appropriation from Stokes County for delivery of services for the upcoming fiscal year (2012-13)
- The appropriation remains the same as last year
- Also requested an additional allocation of \$148,127 for the implementation of the Medicaid waiver and to maintain the current service levels in the county
- CEO Taylor stated that the additional allocation of \$148,127 will be paid back to Stokes County over a five year period
- Without the additional allocation, services will have to be cut in order to implement the Medicaid waiver
- CenterPoint will be willing to brief the BOCC regarding the additional allocation

Chairman Lankford questioned CEO Betty Taylor at the last bi-annual meeting if there were any other options such as cutting expenditures in lieu of requesting additional funding from the counties served by CenterPoint. Chairman Lankford noted that plans are to fill approximately 129 new positions for the Medicaid waiver.

Commissioner Walker noted that he thought it was a good idea to have CenterPoint brief the BOCC about the additional request and the services that could be cut.

Manager Morris responded:

- Cuts to the Stokes Opportunity Center in Walnut Cove were mentioned in the meeting
- County could determine where the cuts would be
- All counties in the catchment area have been notified of the additional allocation request
- Rockingham County so far is the only county that has agreed to the additional allocation

Chairman Lankford stated that he would like to see if CenterPoint has made any attempts to cut expenditures before the Board does anything pertaining to the additional allocation.

Commissioner Walker agreed that CenterPoint needs to look at their budget for cuts before requesting additional funding from the counties.

Commissioner Jones stated that she would also like to see if CenterPoint has made any effort to cut expenditures in their own budget.

Commissioner Walker stated that he would like to know what the advantages are in having the Medicaid waiver.

Commissioner Walker stated that he was very interested in seeing what the non-profits are doing to cut expenditures in their budgets.

Manager Morris stated that he liked the idea of performance agreements for the non-profits.

Chairman Lankford reiterated the need to see if CenterPoint has made any attempt to cut expenditures.

Commissioner Walker requested Manager Morris to see how the additional funding request was calculated and if the per capita was used.

Manager Morris noted that general statutes mandate that funding can't be decreased.

Commissioner Jones stated that she would like to see some positive results from the services provided to the citizens.

Commissioner Booth noted the need to see what it would cost if the County did not contract with CenterPoint for mental health services.

Chairman Lankford suggested that the Board complete the goals session before talking to CenterPoint.

Commissioner Walker noted that he would like to know how beneficial adding

Rockingham County has been for Stokes County.

Commissioner Jones, Commissioner Walker, and Commissioner Booth agreed that it would be a good idea for CenterPoint to brief the Board.

Commissioner Walker reiterated the need to find out the answers to the BOCC's questions before deciding on the additional allocation.

County Manager Morris stated that he would get with Finance Director Kevin Beauchamp and also talk with the other county managers involved.

Commissioner Jones suggested possibly talking with Pioneer Health Services to see if they could possibly help with mental health services.

Commissioner Jones questioned what kind of services could the County provide to the citizens with the approximate \$5.5 million being requested for the upcoming fiscal year.

Commissioner Walker expressed concerns with the possibility of cuts being made to the Stokes Opportunity Center and reiterated the need see what services the county dollars are paying for.

Commissioner Walker questioned if additional funding would be needed for fiscal years after the 2012-13 budget year.

Chairman Lankford noted that he had seen an article in the paper that stated several million dollars had been allocated by the State to implement the Medicaid waiver and he would like to know how much funding CenterPoint is receiving from the State for the Medicaid waiver.

Manager Morris reiterated that he would meet with Finance Director Beauchamp to try to find out the answers to the Board's questions.

Chairman Lankford noted the recent pay increase approved for CEO Taylor during these hard economic times.

Chairman Lankford agreed this was a good time to assess the services being received from CenterPoint and the funding being allocated to CenterPoint.

Commissioner Walker agreed with Commissioner Jones to contact Pioneer Health Services about mental health services.

Health Insurance for Fiscal Year 2012-13

Clerk Darlene Bullins presented the following information regarding health benefits for employees:

- Contacted Rebecca Troutman at NCACC regarding the county being able to join the State Health Plan
- County would have to ask Representative Holloway and Senator East to include Stokes County in legislation
- County would not know until May 16th if the legislation passed and would not have time to bid services if not approved; would have to take what United Health care proposed with very little room for negotiations
- Concerned that the County was not notified by NCACC about the opportunity to join the State Plan
- Proposed legislation will only allow the county to stay on the State Health Plan for two years due to the Health Exchanges effective 1-1-2014 (Health Care Reform)
- Would be very hard to enroll employees before July 1, 2012
- Plan would be 80/20 with a higher out of pocket amount
- Premium for employees would be \$58 per month more, not sure what the premiums would be for dependents
- There are several things different on the State Plan
- Higher rates for smokers and BMI for obesity
- Lot of information that needs to be researched
- Met last week with a representative from United Health Care
- UHC has asked to negotiate with the County without going out for bids
- UHC advises the county to hire a consultant if interested in doing a health savings account due to the strict IRS regulations
- HSA is a tax favored individual custodial bank account or trust account established by eligible individuals to pay for current or future qualified medical expenses
- UHC would be willing to help the county with a health reimbursement account
- HRA is an account to which the employer can make contributions that are not taxable to the member and the member can use to pay for certain medical care expenses
- HRA is a gamble when you have a high deductible and the county has agreed to pay a certain amount of the deductible; how much the county has to pay is determined by the number of people who meet their deduction

- Funding provided with a HSA belongs to the individual even if they leave employment
- If the County goes with a HSA, you can't have a flexible spending reimbursement plan
- UHC has already paid approximately \$200,000 more than the premiums paid to UHC during the first six months
- An increase in premiums is definite
- County's experience rate has not been very good this past year
- County's experience will be sent to every health provider if a RFP is done
- Do not have to bid services each year
- With sending no RFP, would give staff an opportunity to start negotiations immediately

Commissioner Booth confirmed that if the funding that has been allocated for the HRA is not spent, it returns to the County.

Chairman Lankford confirmed that if an RFP is not done this year, UHC will work to give the county the best possible plan for the best rate.

Chairman Lankford noted that he felt it would be better to negotiate with UHC this year, especially if the County goes with the State Plan next year.

The Board discussed the pros and cons of bidding out insurance this year and possibly looking at the State Plan next year.

The Board discussed the State Plan benefits.

The Board discussed a HSA versus a HRA.

Clerk Bullins noted that during the first six months, there were only 20 members out of 366 members on the Plan that met their deductible, this would be exceptional if the County chose to go with an HRA Plan with a high deductible. Clerk Bullins reiterated that going with a HRA, it is a gamble and the funding has to be allocated even if it is not spent.

Commissioner Jones noted that it is very complicated for employees and time consuming for staff when the County switches insurance each year.

Commissioner Jones agreed with Chairman Lankford to negotiate with UHC this year

and then look at the State Plan for next year.

Commissioner Walker noted that competition is healthy and expressed concerns regarding not bidding this year.

Clerk Bullins noted that staff would be glad to do whatever the Board decided.

County Manager Rick Morris recommended that the County negotiate with UHC this year for the best possible plan and look at the State Plan next year.

Commissioner Walker noted that he wished the Association would focus more attention on health insurance to help counties determine what is the best option even though they are now out of the health care business; this would be a great benefit.

Chairman Lankford, with full consensus of the Board, directed staff to negotiate with UHC this year and contact state legislators to place Stokes County on legislation to join the State Health Plan.

Clerk Bullins reiterated that there is a possibility there will be an increase in premiums this year even with changing the benefits of our current UHC plan.

Qualified School Construction Bond Program

Manager Rick Morris noted the following:

- Received information from Finance Director Moore that preliminary figures suggest the school system will have an estimated \$2,028,958 funding shortage for Fiscal Year 2012-13
- Estimates regarding allocations will be provided to the school system in March
- Financial model has been rerun with starting Lawsonville sooner in order to use QSCB and at a price of \$2 million instead of \$1.5 million and presents no issues

Chairman Lankford noted that North Carolina received an additional \$500 million from the Federal government this year and would like to know how that effects the shortage predicted by the school system.

Commissioner Jones noted that this shortage was presented by the Board of Education

last year and would like to know what the school system has done this year to offset some of the shortage.

Finance Director Edwards presented the Board with information pertaining to what other counties allocate for schools.

The Board discussed the ADM being allocated by other counties.

Manager Morris presented the following roof replacement priority list provided by Operations Director David Burge:

Priority	School	Building	Sq. ft.	Total Cost
1	Chestnut Grove	1975 Building/Gym	71,302	\$ 891,275.00
2	South Stokes	C Building (classrooms)	26,104	\$ 326,300.00
3	South Stokes	ROTC Annex	1,344	\$ 16,800.00
4	North Stokes	A Building/gym	35,680	\$ 446,000.00
	North Stokes	A Building/soffit asbestos abatement	2,000	\$ 6,000.00
5	Germanton	1975 Building/Gym	26,020	\$ 325,250.00
6	Mount Olive	1978 Building/Gym	56,750	\$ 709,375.00
7	South Stokes	A building/wrestling room	25,152	\$ 314,400.00
8	North Stokes	Media Center/Auditorium	10,824	\$ 135,300.00
	North Stokes	Media/Auditorium Asbestos Abatement	1,500	\$ 4,500.00
9	South Stokes	Media Center/Auditorium	16,006	\$ 200,075.00
10	South Stokes	E Building (classrooms)	11,440	\$ 143,000.00
11	Pinnacle	Classroom Building/Gym	30,307	\$ 378,838.00
		Total	314,429	\$ 3,897,113.00

The Board discussed the roof replacement priority list and the possibility of using QSCB for funding.

Superintendent Ronnie Mendenhall and Vice Chairman Mike Rogers stated the Board of Education is ready to pursue QSCB funding for roof replacement.

Finance Director Edwards noted that loan payments could be paid for from the schools' portion of sales tax.

Chairman Lankford noted that last year North Stokes was #1 and South Stokes was #2 on the priority list per Vice Chairman Mike Rogers and are still #1 and #2.

Commissioner Walker noted that he would like to know what the entire Board of Education feels are the top priority projects.

Commissioner Booth questioned what happens to the excess funding in the financial model (4 cent tax) and if it could be used to pay the debt for the roofs.

Manager Morris noted that the funding from 4 cent tax can't be used for anything other than the school construction/renovation projects already identified, the construction of the community college or the debt for these projects.

Manager Morris also noted that the Board would have to go on the record and officially change the purpose of the fund if funding was used for any other purpose.

Manager Morris noted once the debt is retired, the Board will decide whether to continue the tax or do away with the tax.

The Board discussed what QSCB Program could be used for.

Finance Director Edwards noted:

- QSCB funding can be used for new school construction, rehabilitation, or repair of a public school or for land acquisition

Chairman Lankford noted that when ADM funding was available, it was used to replace several roofs.

Commissioner Walker reiterated the need to have a priority list approved by the Board of Education.

Chairman Lankford, with full consensus of the Board, requested Manager Morris to get a list with the top three priority roofing replacement projects approved by the Board of Education.

Manager Morris noted that the QSCB application is due March 16, 2012.

Solid Waste – Trash Compactor

Manager Rick Morris noted the following:

- Public Works Director Mark Delehant is investigating the use of trash compactors at some of the sites –probably starting with Pinnacle, Walnut Cove and the landfill
- Director Delehant is going to Surry County next week to see the process in action
- Some of the current boxes at the Greenbox Sites would be replaced with a trash compactor that continuously compacts the trash until the container is full
- It would be loaded on a flat bed truck and dumped by county personnel
- Flat bed trucks would replace the expensive garbage trucks
- Flat bed trucks get 6 miles per gallon and the garbage trucks get 3 miles per gallon
- Can use the flat bed truck to haul recyclables
- This would eliminate Waste Management hauling the recyclables at an annual cost of approximately \$134,000
- This would eliminate trips to the sites
- Believe there would be cost savings and it would be more efficient
- Director Delehant is working up a cost savings estimate and will report back to the Board

The Board briefly discussed the idea and agreed with Manager Morris this is a very good idea to research.

Animal Control Advisory Council

County Manager Rick Morris noted the followings:

- Dr. Debbie Cowan is the new chairperson
- Dr. Cowan would like to know what the Board of Commissioners' desires are for the Animal Control Advisory Council
- Want it to be a team effort
- Want a teamwork relationship between both boards
- Working on raising funds for improvements to the animal shelter
- Would like to see a new animal shelter located somewhere other than at the landfill
- Want to have a visitors' room to allow citizens to interact with the animals before adoption
- Council will be glad to update the Board at any time and seeks feedback from the Board
- Want to make sure the Board has no issues with using volunteers at the shelter
- Would like for the Board to think out of the box and provide creative ideas to the Council
- Bottom line – wants to adopt out more animals and improve the animal shelter
- Wants to keep the communication channels open

The Board had no issues with raising funds for improvements to the shelter and using volunteers at the shelter.

Commissioner Walker noted that it would be good to have the various boards report to the Board annually to keep the Board abreast of what is going on.

Chairman Lankford noted that the group working at the shelter has improved the shelter and the image of the shelter.

Goals

Chairman Lankford requested Board members to bring a list of goals to the next meeting.

Meeting:

The Board discussed recessing today's meeting to March 8th.

The Board unanimously agreed to recess the meeting to March 8th at 12:30 pm

Adjournment

Chairman Lankford recessed the meeting until Thursday, March 8, 2012 at 12:30 pm.

Darlene M. Bullins
Clerk to the Board

Ernest Lankford
Chairman