

Goals/Budget Guidance Work Session

Chairman Booth turned the third work session over to County Manager/Budget Officer Rick Morris.

Manager Morris provided the Board with additional major budget issues that have surfaced since the last Goals/Budget Guidance Work Session in November:

- Health Insurance Renewal
- Wellness Program
- Parks Grant Fund
- IT Upgrade to the Clerk of Superior Court's Office
- GAP Funding for Sewer Project
- Expansion of Flexible Schedules for Employees
- Suggestion Program with Shared Savings

Manager Morris noted that he would like to combine today's issues with the issues that were presented at the other two work sessions in November and be ready to review and discuss all issues at the last scheduled work session on January 29, 2014 in order to provide department heads guidance for preparing their departmental budget.

Manager Morris discussed the following additional major budget issues with the Board:

Health Insurance Renewal

- Does the BOCC want to continue with the League of Municipalities for the County's health, dental and vision insurance?
 - Will be scheduling (if possible) a meeting with the League of Municipalities to discuss renewal prior to our next budget session on January 29th
 - Have a strong feeling that they would be the most competitive even if a competition was done
 - Bid process would need to be started in early February
 - If bid process is done, Board must decide if the County will continue to pay the employee's full premium for health, dental and vision in order to include this information in an RFI

Wellness Program

- County is now required by the League of Municipalities to institute a Wellness Program as part of our medical insurance coverage
 - County can make the wellness plan mandatory or volunteer
 - Outside company would come to the county (at no cost to the county) to first baseline the employee's health, perform a series of tests, evaluate the results and develop a specific plan for each employee

- Wellness Programs have been known to find employees who are on the verge of a possible heart attack or stroke, developing diabetes or high blood pressure
- Preventing a heart attack can possibly save an employee's life along with eliminating a large medical bill which impacts the county's experience rate
- Wellness Programs have contributed to reduced premiums, healthier workforce, less absenteeism in other counties
- Claims experience can be higher the first year due to employees finding out medical problems that have not been addressed, but in the long run, claims experience normally decreases saving dollars
- Even those not on the insurance in leadership positions such as myself can participate in the program thus setting an example, would definitely participate
- Would be done during the employee's work day/shift
- Possible grants are available from the League for incentives
- Recommendation would be that all employees covered by the health plan participate (mandatory)

Commissioner Inman commented:

- Recently had a county present their Wellness Program at a recent NCACC Board of Directors' meeting; would be happy to share the information
- Counties that have already implemented a Wellness Program have seen results in reduced premiums, lower claims, healthier employees, etc.
- Would be very much on board implementing a Wellness Program
- NCACC could also be very helpful with the implementation of a Wellness Program

Commissioner Walker commented:

- Questioned if the program is mandatory, what would be the repercussions if an employee refused to participate?

County Manager Morris responded:

- Those would be things that the Board could determine

Commissioner Lankford commented:

- Could consider not paying the employee's full premium

Commissioner Walker commented:

- Aware of a similar program in another county where the employee participates and his share of the health insurance premium is lower

Chairman Booth commented:

- Believe it would be a big incentive to participate if it determined who paid the insurance premium

Vice Chairman Jones commented:

- Lot of people are not personally responsible for their health
- Too much information available to not be responsible for your health
- Got to look at all options

County Manager Morris commented:

- Believe there could still get a big participation even if it is not mandatory
- Would try to convince people to participate even if it was not mandatory

Commissioner Walker commented:

- Don't have a problem telling folks ahead of time what the consequences would be if they didn't participate
- Would like to consider a possible fitness center at this campus

County Manager Morris commented:

- Feel employees would participate in the program

Parks Grant Fund

- Should the County establish a fund for parks where a match is required to receive funds for park improvements
- Have had an individual who looks after one of the parks in the County request funding twice
- If interested, need to think about:
 - If there is a match, how much match?
 - Who would be allowed to participate?
 - What kind of stipulations would be in the grant application?
 - Would the Board of Commissioners be the approving authority?

Vice Chairman Jones commented:

- Like the idea of the match
- Would like to see a cap on the amount
- Possibly look at a tier method – providing each park with a certain amount and anything above that would require a match
- Would like for the grant application to be submitted for approval before the project is started to ensure how much money is being requested

Commissioner Lankford commented:

- Feel this funding would be for maintenance and operation
- The funds requested for the other park were for operations
- This was done in the late nineties, the county would provide a certain amount which would have to be matched dollar for dollar

County Manager Morris commented:

- If this program was initiated in the 2014-15 budget, would need to decide whether to include the recent request or handle it separately

- Can include a certain amount of funding in the upcoming budget and then develop an application process for the Board's approval later

Chairman Booth commented:

- Between now and the next meeting, would like for members to be considering an amount if it is the desire of the Board to implement such a program

Commissioner Walker commented:

- County is in a good position to obtain PARTF Grants when they become available for parks and recreation
- Know the Town of Walnut Cove and the City of King have probably gotten more grant funding for recreation and parks than the County has
- County, in some ways, is in a better position to write grants and obtain funding
- Could help fund the parks

Commissioner Lankford commented:

- My thinking is that the funding would be just for county owned parks

Commissioner Inman confirmed with Manager Morris that there were five (5) county owned parks: Lions Park in Walnut Cove, Moratock Park, Pinnacle Park, East Walnut Cove Park, and Germanton Park.

Commissioner Walker responded:

- Don't want to forget that those folks, like me for example, live in the City of King and pay county taxes

Commissioner Lankford responded:

- The City of King operates its own city park just like Walnut Cove has a town park which is a different scenario from a county park

Commissioner Walker responded:

- Just something to think about

IT Upgrade to Clerk of Superior Court's Office

- County may have to fund this if an alternative solution can't be found
- Clerk's Office has had some new computer equipment installed by the state which makes a lot of noise (fans)
- The Clerk has requested a rewiring job and installation of some other IT equipment that could be very expensive
- Don't have a good estimate, but could be as much as \$10,000
- Will have more information regarding cost before the next work session
- Looking at some other options to address their problem by maybe placing a wall between the equipment and the employees

- Having the County's IT Department research alternate options
- Just wanted to make you aware of the situation

Vice Chairman Jones confirmed with Manager Morris that there was enough room for the placement of an additional wall without creating more issues, hazards, etc. and the only issue would be the loss of a window in a particular office.

Commissioner Lankford commented:

- My response is that the State installed the new equipment, the State created the issue, and the State needs to correct the issue
- This is not acceptable, State should be responsible for making the equipment right

Chairman Booth responded:

- Agree with Commissioner Lankford
- State system shouldn't be the responsibility of the county
- State should know what kind of system was scheduled to be installed and the amount of noise it makes before even installing the equipment to eliminate issues like this

County Manager Morris responded:

- Will have a refined estimate at the next meeting
- Will be personally inspecting the situation next week with County's IT staff

Commissioner Walker commented:

- Could be a bad piece of equipment, fan could have gone bad, been damaged, etc.
- State may be able to replace the fan at a nominal cost

County Manager Morris reiterated:

- Will have more information along with cost figures at the next meeting
- Will personally visit the location before the next meeting

GAP Funding for Sewer Project

- This has already been approved by the BOCC; my plan is to fund in the budget any gap that still exists at the time of budget submission
- RFPs will probably be released at the end of January or beginning of February and have proposals back by the end of February or beginning of March
- Construction will start soon after that
- Board has already addressed this possible shortage of funding at a regular meeting and taken action to supplement the shortage
- Will evaluate the funding sources before submission of the proposed budget and if there is a GAP in funding that is identified, will include that amount in the proposed 2014-15 budget

- Gap could only be a timing issue, waiting for funding to be reimbursed
- Need to be prepared to fund any gaps to ensure the project gets completed
- Completion estimated for January 2015

Commissioner Inman confirmed with Manager Morris that the Board had approved approximately \$130,000 in possible GAP Funding which was a worst case scenario.

Commissioner Inman commented:

- Very encouraged that there might be additional funding available
- Meeting in Raleigh on the January 22nd with Representative Holloway and the officials from NC Commerce (Rural Center) (Commissioner Inman and County Manager Morris will be attending)
- Representative Holloway suggested that our folks go back to Golden Leaf for possible additional funding
- Golden Leaf is typically a back-in funder
- For example, if all the grants were in place and you were \$500,000 short, Golden Leaf supplements the shortage to make the project work, not typically a front-in funder

Chairman Booth commented:

- Agree with Commissioner Inman, should have Pilot View go back for additional funding if there is a shortfall
- Good information regarding Golden Leaf being a back-in funding
- Glad to hear some possible dates for the start of construction for the sewer project

County Manager Morris noted that Charles Anderson of Pilot View is meeting in Raleigh tomorrow to discuss additional funding.

Expansion of Flexible Schedules for Employees

- Currently have a work group addressing this issue; manager will have recommendation at the next budget session
- County has a few flexible schedules that have a positive impact on the services provided to the citizens (for example-Environmental Health); they start at 7:00 am to be available for contractors such as well diggers who start early in the morning
- Have never looked at using flexible schedules as morale boosters for employees, to reduce turnover, expand services, less absenteeism, etc.
- Will have a recommendation from the committee for the next work session
- Would work with the department head to ensure flex scheduling will work for that particular department and the level of service for the public stays the same or gets better
- Will not include working at home and required hours would be worked by all employees participating in the program
- Would possibly start as a pilot program to see how it works

- Would start on a volunteer basis
- Looking for ways to keep people from leaving

Chairman Booth commented:

- Could be employees coming in early and leaving early or employees coming in late and leaving late

Commissioner Walker commented:

- Questioned how employee morale is currently?

County Manager Morris noted that he had not done a recent survey.

Commissioner Lankford commented:

- Have not done a survey, but talk to employees
- Seems employee morale is pretty high with the exception of Environmental Health

Vice Chairman Jones commented:

- Feel this is forward thinking to do this, even if morale is “sky high” because we need to start getting the handle on some of the gaps between ourselves and the surrounding counties; don’t have the dollars to get the gap up there
- Have been thinking lately about how we can provide other things to employees instead of a COLA
- Like this idea
- Have read articles how flexible schedules work

Commissioner Walker commented:

- This is a trend that is probably going to develop more and more
- County is blessed with good employees who care about what they are doing; quality employees who do a quality job – they get the job done with complaining
- Feel there are two things that this Board wants to show that they care about:
 - Employees
 - Citizens
 - The question is how can that be balanced?
 - Don’t want to be overly lavish with our employees, but at the same time, do not want to skimp to the point that the County is not being fair to them
 - Want to be a good employer, but at the same time, have to answer questions to the citizens
 - The Board’s challenge is to balance that
- Another issue I see is there are some good employees who could retire any time
- Have ton of knowledge, history of good work ethics with these employees, and my question is “how is the County prepared for succession with some of our key folks?”

County Manager Morris responded:

- Have discussed this issue with Department Heads
- Can't force an employee to do this, but have asked Department Heads to provide me with a year notice if possible
- There are some positions that don't have an assistant who could be placed in the position, if qualified,
- Have some efforts underway

Commissioner Walker commented:

- Confirmed with Manager Morris that he had done some research on this topic and there are some county governments already using Flex Scheduling with success
- Having no problems with doing anything that makes sense that help our employees and at the same time serve the needs of the citizens

Chairman Booth commented:

- Like the idea that services level will remain the same or get better
- If departments could open early, citizens could possibly come before work

Suggestion Program with Share Savings

- Examine the possibility of establishing an employee suggestion program where employees share in the savings generated by suggestions approved by the BOCC
 - Suggestions would not be approved if the savings should already be realized as part of the employee's job description
 - This would have to be very well organized and designed in order for it to work
 - If an employee came up with an idea that saved the County money, the employee would share in the savings somehow
 - Would like for the Board think about this for more discussion at the next work session, if so desired by the Board

Commissioner Lankford commented:

- Feel the suggestion program works well in private industry, but not in public

Commissioner Walker questioned what would be the difference?

Commissioner Lankford responded:

- Several things
- Expectations

Commissioner Inman responded:

- Would like to expand on Commissioner Lankford's comment about that
- Your performance baseline is an enhanced and improved product versus an enhanced and improved service
- One may be easier to see

County Manager Morris responded:

- Would probably have to see what kind of suggestion the employees submit to see if the program would work in government

Vice Chairman Jones commented:

- It is worth implementing; this gives the employees some buy-in
- Makes employees think
- Makes employees be creative
- Always room for improvements
- Won't know until we try it

Commissioner Lankford commented:

- Have to take into consideration that a similar program was experience the last time the current manager was here
- Did not receive good comments from the program
- This was some type of achievement program that rewarded employees with financial incentives
- Remember the State Paramedic Champions received the award
 - Heard comments that employees didn't think certain people should receive the award and questioned why their department was never included

County Manager Morris noted this would be a different type of program.

Chairman Booth noted the program would have to be administered very carefully.

Vice Chairman Jones commented:

- Would at least like to try the program to see if it would work

Commissioner Walker commented:

- A good suggestion program could have a certain threshold (\$50, \$100, etc.)
- Below that threshold, a committee would evaluate the suggestion
- Larger dollars would require approval from the Board of Commissioners
- Agree that a suggestion Program is different from an Achievement Award Program
- A suggestion is tangible, it either saves money or it does not –has to be proven
- Good for employees
- Will probably get several at first and would slow down to not many at all

County Manager Morris noted that these were all the issues that have come up since the last work session.

Commissioner Inman commented:

- Would like to hear Commissioner Lankford's thoughts on the Health Insurance Renewal since he serves on the insurance pool for the NCACC

Commissioner Lankford commented:

- Believe the best option would be to stay with the League if at all possible

Commissioner Walker commented:

- Agree with Commissioner Lankford and others regarding the insurance, that would be my preference also if that was the best choice
- On the other hand, if the County was made aware of another option that is better, feel the County would be obligated to look at it
- Have to keep an open mind when it comes to insurance

County Manager Morris commented:

- Without a true RFI, it would be a judgment call as to stay with the League
- An RFI would have to be started in February
- Normally insurance providers do not provide quotes unless an RFI has been issued
- Lot of work and data goes into an RFI
- Would request the Board to submit any budgetary issue that could have been missed at the next session

Chairman Booth commented:

- This along with the other issues can be discussed further at the next work session

Vice Chairman Jones commented:

- Confirmed with Manager Morris there is not a dollar figure estimate yet regarding employees who work over 30 hours being placed on the insurance

Commissioner Walker commented:

- One thing that sets the budget tone is knowing where we are now with the county's finances
- Keep remembering that train that was on the PowerPoint presentation
- Still in an economy that is weaker than normal
- Must consider the 4% loss with the Revaluation
- Must consider the loss of \$2 million of Hold Harmless
- What is the County financial shape?
- Sales taxes are down

County Manager Morris responded:

- In the process of doing a budget execution for mid year
- Will have more definite information at the next work session
- Rough order of magnitude;
 - Received half of Hold Harmless last year that was not expected
 - Probably in a position to use Fund Balance this year to balance the budget and still keep it at an acceptable level (20%)
 - Will probably not get Hold Harmless this year

- F/Y 2012-13 Audit will be presented at the January 27th meeting which will provide a better picture of the County's finances
- Possible Walmart coming to King which will increase sales tax revenue

Chairman Booth commented:

- Has been a very productive meeting
- Appreciate everyone's participation
- Review the issues presented at the previous three work sessions before the next work session
- Be sure and bring information back for further discussion
- Will want to give the County Manager direction regarding the F/Y 2014-15 budget at the January 29th Work Session

Commissioner Inman had to exit the work session in order to be in Raleigh for a meeting.

Commissioner Walker confirmed with Manager Morris that dropping the Fund Balance to around 20% will not impact the County's ability to borrow funding for the remaining project.

Adjournment

There being no further business to come before the Board, Chairman Booth entertained a motion to adjourn the Goals/Budget Guidance Work Session.

Commissioner Lankford moved to adjourn the Goals/Budget Guidance Work Session.

Vice Chairman Jones seconded and the motion carried (4-0) with Commissioner Inman absent.

Darlene M. Bullins
Clerk to the Board

James D. Booth
Chairman