

**COLUMBUS COUNTY BOARD OF COMMISSIONERS**  
**BUDGET WORKSHOP #1**  
**Monday, June 11, 2012**  
**6:00 P.M.**

The Honorable Columbus County Commissioners met on the above stated date and at the above stated time in the Dempsey B. Herring Courthouse Annex Building, located at 112 West Smith Street, Whiteville, North Carolina, for the purpose of conducting a Budget Workshop.

**COMMISSIONERS PRESENT:**

Amon E. McKenzie, **Chairman**  
 Charles T. McDowell, **Vice Chairman**  
 James E. Prevatte  
 Giles E. Byrd  
 P. Edwin Russ  
 Lynwood Norris  
 Ricky Bullard

**APPOINTEES PRESENT:**

William S. Clark, **County Manager**  
 Mike Stephens, **County Attorney**  
 June B. Hall, **Clerk to Board**  
 Bobbie Faircloth, **Finance Officer**

**MEETING CALLED to ORDER:**

At 6:00 P.M., Chairman Amon E. McKenzie called the Budget Workshop to order.

**INVOCATION and PLEDGE of ALLEGIANCE:**

The invocation was delivered by Commissioner Ricky Bullard. Everyone in attendance stood and pledged Allegiance to the Flag of the United States of America which was led by Chairman Amon E. McKenzie.

**WORKSHOP MEETINGS DEFINED:**

Chairman McKenzie stated the following:  
 First, the workshop meeting is to inform the Board and permit discussion - no final action is taken; **and**  
 Second, the procedures are less formal than at a regular meeting, but such meetings are part of the decision-making process, deliberations are going on, and therefore, they constitute "official meetings".

**PROCEDURE of BUDGET WORKSHOP:**

- Chairman McKenzie stated the following:
1. The Board members received their copy of the proposed budget two (2) weeks ago;
  2. The Budget Message has been delivered;
  3. I have received some requests; **and**
  4. For the first hour, we will listen to requests, and the second hour, the Board of Commissioners will hold discussions.

**DISCUSSION of 2012 - 2013 PROPOSED COLUMBUS COUNTY OPERATING BUDGET:**

1. **Ed Worley, Aging Director:** stated the following:
  - A. Amanda Jernigan, Aging Deputy Director, is here tonight with me;
  - B. She will discuss the ending 2011-2012 Budget and the proposed 2012-2013 Budget, especially the PCS portion;
  - C. It has been a conservative effort to put this budget together, and the potential 105 clients we are dealing with and the 73 CNA's;
  - D. We based the budget on 50 future clients;
  - E. We have decided it is best to keep the PCS Program, because the PCS Program is important, it is the feeder program for CAP;
  - F. This will help us produce revenue for the senior citizens of Columbus County;
  - G. We tried to prevent unemployment and try to expand through the PCS Program and the CAP Program;
  - H. Without the PCS Program, the CAP Program would eventually end.

**DISCUSSION/QUESTIONS/COMMENTS:**

**Commissioner Bullard:** Just a few months ago, you were recommending that we close the PCS Program. Why are you using a different approach at this time?

**Ed Worley:** We made a mistake. We should have done further research before we made that recommendation. If the PCS Program is done away with, it will hurt us.

**Commissioner Bullard:** I have been told the agencies that are closing was audited by Medicare and have received some stiff fines. Is that true?

**Ed Worley:** These are different agencies and not the ones we are looking at.

**Commissioner Prevatte:** You have based your budget on 50 potential clients. Is there any guarantee that we will get these 50 clients?

**Ed Worley:** We have been notified that we will get the biggest portion of them. No, there is no guarantee.

**Vice Chairman McDowell:** On Page 111 in the Budget, the estimated amount from January 6, 2012 to June 30, 2012 is showing a loss of \$116,991, and you are stating that we will have a \$200,000 profit. That is about a \$300,000 difference. Is that realistic?

**Amanda Jernigan:** At the end of this fiscal year, we will be in the red about \$200,000.

**Vice Chairman McDowell:** Back in the fall, we were thinking it was going to be less than that. Now, you are saying that it is going to make money.

**Amanda Jernigan:** For this fiscal year, no. Next year, it will. I have the following handout that will explain this.

**BUDGET PROPOSAL FOR FY 12/13**

**Transportation**

Columbus County Department of Aging is proposing to eliminate the Congregate Transportation Program for the next fiscal year. If we keep this program, it will cost the agency or County approximately \$43,000 to \$51,000 to run this program. This is based on the current rate of \$1.306 per mile that is being charged now by First Transit. If that rate increases, it will be closer to the \$51,000 mark. When we proposed closing the program we had only received \$132 in donations. Now that total is \$197.75. As you can see that does not put a dent in the cost of the program.

**Senior Centers**

The Columbus County Department of Aging is proposing to cut the Senior Center Co-ordinators' jobs to 30 hours per week. That would move them to 8:00 - 3:00, Monday through Friday with a hour for lunch. The main office will be open 37 1/2 hours per week excluding senior services (classes and exercise room). This would save the agency the following amount per center:

<b>CENTER</b>	<b>SAVINGS</b>
Bolton	\$7,209
Bug Hill	\$7,224
Chadbourn	\$7,349
East Columbus	\$7,209
Fair Bluff	\$5,739
Tabor City	\$5,905
Whiteville	\$6,997
<b>GRAND TOTAL:</b>	<b>\$47,632</b>

**Personal Care Services**

The Columbus County Department of Aging has previously suggested doing away with the PCS Program. If we did that we would lose a part-time RN position, a full-time In-Home Coordinator position and 29 In-Home Aides/Certified Nursing Assistant positions at the minimum. If we keep the PCS Program with the potential clients coming from other agencies that are closing we would

move the part-time RN position to full-time and give approximately 35 more In-Home Aides/Certified Nursing Assistants jobs.

We are now averaging effective April 30, 2012, 43 clients for PCS at an average of 53.47 billable hours per month per client. At this rate the program would be in the red \$3,913.00. With the clients coming from the agencies that are closing we are projecting to gain an additional 50 clients at an average of 50 billable hours per client per month. This would bring in an additional 30,000 units or \$414,000 in revenue. The expenses for the additional clients would be \$329,777. This would bring the program to a balance of \$80,310 to the good.

The extra clients we would be gaining could cost us \$10.9926 per hour and we are billing \$13.80 per hour. This gives us a profit of \$2.8074 per hour provided for these clients.

### Agency Overall

With the proposed changes above it would bring the budget to a balance of \$43,948 to the good. This does not include the proposed salary changes from the job study performed.

**Vice Chairman McDowell:** The formula has not changed. Where is this difference?

**Amanda Jernigan:** The formula has not changed, but the salaries of several of the employees are built into these programs.

**Vice Chairman McDowell:** You are saying this would be profitable, and that is based on if we did away with the transportation and if we cut the hours from the Senior Centers.

**Chairman McKenzie:** The Commissioners are not willing to cut the hours at the Senior Centers.

**Commissioner Prevatte:** When it was recommended that we close the PCS Program, there were 41 CNA's involved. You stated you could put 29 of these CNA's back to work in other programs, and the remaining CNA's could go to other agencies.

**Chairman McKenzie:** These agencies that are closing, do you have any idea of how many people this will affect?

**Amanda Jernigan:** One of the agencies, it is 105 clients, and the other agency is 64 clients.

**Commissioner Prevatte:** At the previous discussions relative to the PCS Program, it was my understanding that the State was going to phase out the PCS Program.

**Amanda Jernigan:** That has changed. The PCS Program is not going anywhere, but it has changed names.

**Commissioner Prevatte:** It is my concern that we are balancing a budget on potentials. There are two (2) things that we really need to concentrate on, and they are the PCS Program and the Nutrition Program.

2. **Charles Patton, Public Transportation Director:** stated the following:

- A. I have got two (2) line items that I would like to bring to your attention;
- B. I would like to remind you of the losses of about 29% we had which hurt our Rural General Public Funds and a little bit into our ETAP funds;
- C. In previous years, in the RGP Program, the State was providing us with enough money to operate and did not require any County money, so I dropped the County's portion out of my budget;
- D. On Page 153, in the Supp to RGP - Local Match, I requested \$60,000, but received only \$30,000, and I need the entire \$60,000 or none;
- E. On Page 154, DSS No Show Charges, we do not get to collect for these, and I really need that \$20,000;
- F. If you don't fund the \$60,000, please fund the \$20,000 and move the \$30,000 down to the \$20,000;
- G. Our usage has gone down tremendously;
- H. For public transportation, for every \$1 spent, you generate \$5 or \$6 in the community;  
**and**
- I. Any help you could give, I would appreciate.

3. **Larry Cribb, Allied Home Health Care:** stated the following:

- A. We are in direct competition with the Department of Aging;

- B. I think we were the last ones to find out about these agencies, and the Department of Aging knew way ahead of us;
- C. I understand that a letter was sent out recommending the Department of Aging for their provider for the people leaving this agency which is illegal according to the laws of the State of North Carolina;
- D. I don't have a copy of the letter but we are in the process of getting a copy of the letter;
- E. You cannot guarantee getting any clients, the clients have a right to choose;
- F. If they already have 22 clients, they had an inside contact on this;
- G. It is exactly right that the PCS Program is a feeder for the CAP Program;
- H. As far as unemployment, the private sector will be glad to accept the employees if they are a suitable employee;
- I. I did some research a few years ago, and the private sector only receive Medicaid dollars, and they have to exist on those dollars;
- J. Over the past 3 years, the Department of Aging has lost on the average of over a million dollars;
- K. We are #47 in the state in population, and one of the poorest counties in the state;
- L. Can we afford the largest Department of Aging in the state?;
- M. It is my opinion that there is some unfairness and self serving in the county;
- N. There are only four (4) counties in the state that are lead CAP agencies and Columbus County is one of them, and also a provider and that is a conflict of interest because you are feeding yourself;
- O. I have been told that there is a list that shows all the PCS clients when they become eligible for CAP, and I have asked all my clients about this list, and I have yet to see a list; **and**
- P. The unemployment rate should not be a factor in the decisions about the Department of Aging.

**Ed Worley, Aging Director:** stated the following:

1. It is a free market, it is a free world out there; **and**
2. I intend to maintain to be the largest Department of Aging in the state.

**Amanda Jernigan, Deputy Aging Director:** stated the following:

1. We are a Lead Cap Agency and we are a CAP provider;
2. It is the client's choice to decide which agency they want to go with for in-home services;
3. The only thing we can keep as a CAP provider is the Case Management Services, and it has to be done by a CAP Lead Agency; **and**
4. The In-Home Services is the client's choice.

**TEN (10) MINUTE RECESS:**

At 6:59 P.M., Chairman McKenzie stated there would be a ten (10) minute recess.

**BUDGET WORKSHOP RESUMED:**

At 7:09 P.M., Chairman McKenzie stated the Budget Workshop was resumed.

**DISCUSSION of ITEMS in 2012-2013 BUDGET MESSAGE:**

Chairman McKenzie stated he would like to review the Budget Message, item by item, with discussion, comments or questions from the Board.

**Employee Wage Adjustments:**

Using the first year phase in pay scale projected by the MAPS Group, we recommend moving all of our employees to at least the minimum level of the new pay scale. All employees not affected by the pay study will receive a one time 1% lump sum adjustment. The wage adjustments will be effective October 1, 2012 and will be paid during the October pay cycle. The wage adjustment represents a 4% increase overall in wages.

Discussion was conducted relative to the following:

1. First year phase in pay scale projected by the MAPS Group method used:
  - A. Employees below the minimum amount - moved to the minimum amount;
  - B. Employees at the minimum amount - receive at least a 1% salary increase; **and**
  - C. Employees maxed out of their pay range - receive a 1% lump sum payment;
2. The total cost to the County for this pay scale adjustment is as follows:
  - A. \$602,000 - Employees moved to minimum amount
  - B. \$112,000 - Employees receiving 1% adjustment
  - C. \$715,045 - Total Cost and includes all benefits; **and**
3. The method utilized to calculate the salaries.

#### **Local Governmental Employees Retirement System:**

The employer contribution to the Local Governmental Employees Retirement System will decrease this year from 7.01% to 6.74%.

William S. Clark, County Manager, stated the State lowered the rate.

#### **Health Insurance:**

Our healthcare provider proposed an 18% increase in employee health care premiums to maintain our existing coverage. Through negotiations with our employee healthcare insurance provider, premiums were kept to an increase of 5.7% which is a savings of \$407,692.47. United HealthCare will continue to be the county's healthcare insurance provider. Co-pays and deductibles will increase for our employees. A FSA (Flexible spending account) will also be available to our employees for the first time.

Discussion was conducted relative to the fact this was the only affordable method to use due to the high number of claims from the previous year.

#### **General Insurance:**

General Liability, Property and Workers Compensation insurance premiums only increased this year a total of \$13,431.

William S. Clark, County Manager, stated this increase was due to a property reval that was done by the company.

#### **Enterprise Funds:**

Solid Waste User Fees:	A)	County Residents	\$218.00/year (Decrease of \$5.00)
	B)	Municipal Residents	\$131.00/year (Decrease of \$5.00)

Water Districts I, II, III and V: No rate change.

Water District IV rate increase of \$1.00 to the minimum bill and a \$1.00 increase per additional 1,000 gallons.

Discussion was conducted relative to the following:

1. A change in the uniform system of billing for all the districts;
2. Rate change for one should apply to all districts;
3. Imposing a tax on Water District IV like Water Districts II and III;
4. Adding \$1.00 to the monthly water bills would generate \$364,000 in revenue;
5. Removal of the special tax in Water Districts II and III before increasing the flat rate; **and**
6. Sharing the tax among all the districts.

After additional discussion was conducted, it was the general consensus of adding \$1.00 to the base rate in Water District IV.

**Revenue Sources:**

Ad-valorem Property Tax Collections - Tax collections are calculated based on a collection rate of 96%, at the current rate of 81.5 cents per \$100.

Transfers from Other Departments to the General Fund - the transferred amount of \$1,870,511 is the equivalent of approximately .06 cents in property tax that is not required in this fiscal year budget.

**Education:**

Total current expense allocations for city and county schools, and Southeastern Community College have been increased by 3% over last year's appropriation. Capital Outlay for Whiteville City Schools and Southeastern Community College has each been increased by \$220,000. \$750,000 For Columbus County Schools were approved on February 6, 2012.

**CONCERNS STATED:**

Chairman McKenzie stated that each Board member would be given the opportunity to state any concerns they had with the budget.

1. **Commissioner Byrd:** stated the following:
  - A. Mr. Clark has prepared a budget like we asked him to do;
  - B. There are some concerns with the Department of Aging that we will have to work through;
  - C. We have a budget in our hands that we can work with;
  - D. If we can move our employees on the pay scale where they should be is a plus; **and**
  - E. Mr. Clark has done a good job with this budget.
2. **Commissioner Prevatte:** state the following:
  - A. Mr. Clark has done a good job in preparing this budget;
  - B. I was very interested in the pay increases for the employees;
  - C. I do have some concerns with the projected figures for the Department of Aging; **and**
  - D. I think we need another meeting to give us enough time to absorb and review all the information that we have been given tonight.
3. **Commissioner Norris:** stated the following:
  - A. Mr. Clark has done a good job in preparing this budget;
  - B. I worry about the Aging Department; **and**
  - C. I appreciate what everyone has done.
4. **Vice Chairman McDowell:** stated the following:
  - A. I concur with what I have heard;
  - B. I too have some concerns with the formulas and figures for the Department of Aging;
  - C. Mr. Clark, I applaud you for the budget, it is a good budget; **and**
  - D. The pay increases leads to a concern of maintaining what we start.
5. **Commissioner Bullard:** stated the following:
  - A. I commend Mr. Clark on this budget, the department heads and Bobbie Faircloth;
  - B. I do have some concerns and I think we need another meeting;
  - C. I do not support cutting the hours at the Senior Centers;
  - D. I do not support the PCS Program; **and**
  - E. We need to try and support the private businesses in the County that provide this same service.
6. **Commissioner Russ:** stated the following:
  - A. I would like to thank Mr. Clark, the Department Heads and Bobbie Faircloth for preparing the budget;
  - B. We need to reconsider the Sheriff's vehicles;
  - C. I do not favor cutting the Senior Center hours; **and**
  - D. It would be hard to predict how many customers or clients you will pick up for the coming year.

7. **Chairman McKenzie:** I am hearing that additional information has been received and time is needed for review. My question is do we want to continue this meeting until all matters are resolved or do we want to schedule another meeting?

After discussion was conducted, it was the general consensus of the Board to schedule the next Budget Workshop for June 18, 2012, at 4:00 P.M., in the Commissioners Chambers.

**ADJOURNMENT:**

At 8:21 P.M., Commissioner Bullard made a motion to close the Budget Workshop, seconded by Commissioner Russ. The motion unanimously passed.

**APPROVED:**

JUNE B. HALL, Clerk to Board

AMON E. McKENZIE, Chairman