

June 22, 2011

The Board of Commissioners of Franklin County, North Carolina, met for a Recessed Meeting (Work Session) at 6:00 P.M. in the Commissioner’s Conference Room located in the County Administration Building with the following Commissioners present: Chair Sidney E. Dunston, Donald C. Lancaster, Harry L. Foy, Jr., and Penny McGhee. Vice-Chairman E. Shane Mitchell, Robert L. Swanson and David T. Bunn arrived after the start of the meeting.

Chairman Dunston called the meeting to order.

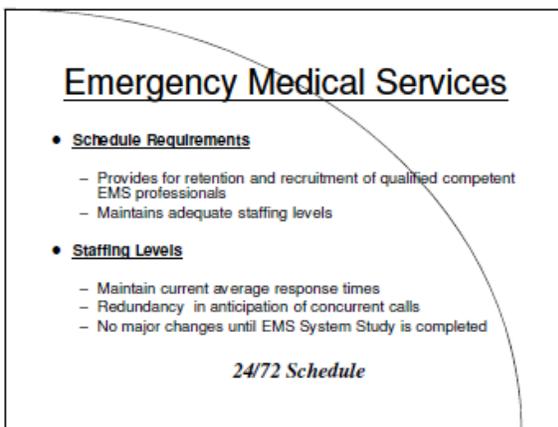
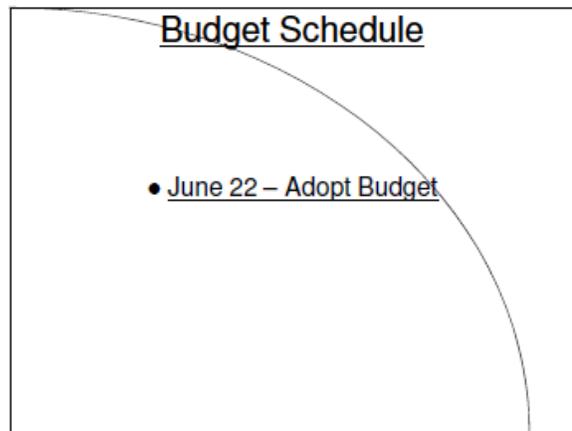
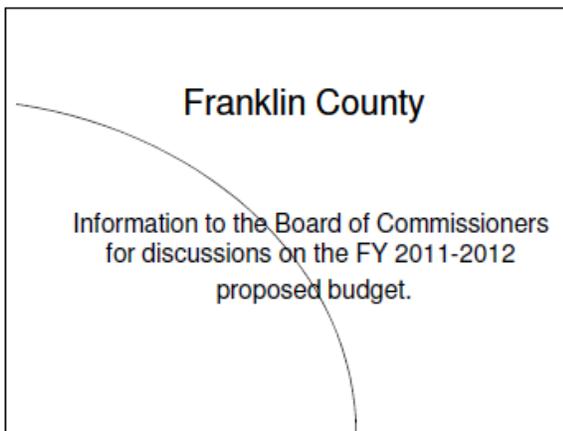
**1. BUDGET ORDINANCE AMENDMENT #8**

The Board was asked to consider approval of Budget Ordinance Amendment #8 (Pursuant to North Carolina General Statute 159-15, the County Finance Officer is requesting a budget ordinance amendment in the amount of \$74,850 for the fiscal year ending June 30, 2011 to amend the General Fund to reflect additional funding for the Airport for fuel purchases.)

Commissioner Foy made the motion to approve Budget Ordinance Amendment #8, seconded by Commissioner McGhee. The motion duly carried with all present voting “AYE.”

**2. DISCUSSION: 2011-2012 PROPOSED BUDGET**

The Board discussed details of the 2011-2012 proposed budget utilizing the PowerPoint presentation below.



**Another EMS Option**

	Manager's Proposed Budget	Alternative Budget Request	
• Part-time Salaries	173,168	268,140	
• Full-Time Salaries	1,718,886	1,879,727	
• Overtime	0	140,000	
• Holiday Pay	63,000	73,548	
• Furlough	(33,976)	(37,443)	
• Benefits	729,670	837,151	
• Operations	<u>514,622</u>	<u>517,122</u>	
• Total	3,165,378	3,668,245	+ 502,867
• Revenue	1,164,913	1,484,913	+ 320,000
• County Dollars	2,000,465	2,183,332	+ 182,867
• Additional Need	0	182,867	

### How to pay for additional EMS Need

- 1. Take additional \$182,867 from the available \$462,563 earmarked in the EMS Incentive Fund. (recommended).
- Will not have an impact on our undesignated fund balance.
- or
- 2. Take additional \$182,867 from fund balance.

### Changes in Public Safety Category EMS/Rescue Services

□ **EMS Incentive Dollars:**

□ Est. Balance on Hand at 6/30/2011:	\$ 462,563
□ FY 2011-2012 Ambulance	125,000
□ FY 2011-2012 Repairs	50,000
□ FY 2011-2012 EMS Budget	<u>182,867</u>
□ Remaining Balance	\$ 104,696

□ **Leaves adequate funds for EMS Study**

### In the Proposed Budget

□ Does not change the 20% Incentive Formula for the volunteer rescue squads in the proposed budget however, EMS Director and EMSAC needs to identify a new formula that will provide the volunteer squads an incentive to answer calls.

### Other items to consider

- 1. Overtime for the Communications Department –

● Salary	\$ 35,000
● FICA	2,668
● Retirement	2,450
● 401K	1,400

● **Additional \$ 41,518**

- **Funding will need to come from Fund Balance**

### Other items to consider

- 1. Overtime for the Sheriff's Department –

● Salary	\$ 60,000
● FICA	4,590
● Retirement	4,410
● 401K	3,000

● **Additional \$ 72,000**

- Will need to come from Fund Balance

### Tax Office Data Analyst

- 1. Position will be budgeted at 9 months with hire date 10/1/2011:

● Salary	\$ 35,000
● FICA	2,668
● Insurance	5,730
● Retirement	2,450
● 401K	1,400

● **Additional \$ 47,248**

- Will have to come from Fund Balance

### Budget for Fiscal Year 2011-2012

FY 2011-2012 Proposed Expenditures	\$ 66,466,954
Additional OT for Communications	41,518
Additional OT for Sheriff's Office	72,000
Additional for Tax Analyst for 9 months	<u>47,248</u>
Total General Fund Budget	\$ 66,627,720
FY 2011-2012 Proposed Revenues	\$63,904,050
<b>Fund Balance Appropriation</b>	<b>\$ (2,723,670)</b>

### Fund Balance position based on estimate for FY 2010-2011

□ Total Fund Balance 6/30/2011	\$18,459,645
□ (less) Est. Required Reserves by Statute:	\$3,457,220
□ (less) Earmarked Reserves	775,413
□ (less) FYE 2011 Fund Bal. Appropriation	2,562,904
□ Projected Undesignated Fund Balance	<u>\$11,664,108</u>
□ Using Total GF Budget of \$66,466,954	
□ <b>Est. % of Undesignated Fund Balance</b>	<b>17.55%</b>
□ <b>with \$2,723,670 from fund balance</b>	<b>17.26%</b>

### Fire Departments

- **Fire Tax rate increases requested by departments:**
- **Bunn Fire Department** - from 4.75 cents to 6.30 cents.
- FY 2010-2011 Allocation – \$357,055, Requesting \$508,145
  - One cent represents an additional \$75,170
  - **Cash on Hand at 6/30/2010 - \$397,781**
- **Louisburg Fire Department - from 6.25 cents to 7.25 cents.**
- FY 2010-2011 Allocation – \$184,000, Requesting \$250,000
  - One cent represents about \$29,440 in additional funds.

### Final Budget Amendment

- **Provide additional appropriation for the Airport for fuel purchases, vehicle supplies and appraisal services.**

● <b>Airport Fuel Purchases:</b>	\$ 65,000
● Vehicle Supplies	5,000
● Appraisal Services	<u>4,850</u>
● Total Expenses:	\$ 74,850

● **Revenues:**

● Airport Project	4,850
● Airport Fuel Sales	<u>70,000</u>
● Total	\$ 74,850

Emergency Services Director Randy Likens provided the Board with an alternative method for Emergency Medical Services (EMS) that would maintain the quality level of care currently in place with no major changes to the EMS system until a study of the system is completed. County Manager Angela L. Harris stated following a meeting (June 21, 2011) with a representative of the North Carolina Association of County Commissioners, it is reasonable to expect the same amount of revenue for 2011-2012 if a similar number of Medicaid claims are obtained. In 2012-2013 she stated some stimulus funding will end.

The alternative EMS schedule proposed is expected to cost an additional \$182,867. Two funding options were discussed including \$182,867 from the available \$462,563 earmarked in the EMS incentive fund (recommended by staff) or take an additional \$182,867 from fund balance.

*Commissioner Mitchell arrived at 6:05 P.M.*

*Commissioner Swanson arrived at 6:07 P.M.*

It was noted the proposal would not change the 20% Incentive Formula for volunteer rescue squads included in the proposed budget however, the EMS Director and the EMS Advisory Council are expected to identify a new formula that will provide volunteer squads an incentive to answer calls.

Mr. Likens noted the alternative schedule would provide for retention and recruitment of qualified, competent EMS professionals while maintaining adequate staffing levels. He said the 24/72 schedule would maintain current average response times, offer redundancy in anticipation of concurrent calls and offer no major changes to the EMS system until a study (approved by the Board of Commissioners) is complete. Mr. Likens explained the 24/72 schedule is the most sought after and economical schedule in the nation. He said EMS staff are attracted to Franklin based on schedule and benefits rather than pay.

Scott Wheeler, EMS Advisory Council Chair, stated he agreed funding should come from the EMS incentive fund, but stated adequate funds would not remain to purchase a new ambulance. He stated three ambulances were requested for 2011-2012 and said likely four would be needed for 2012-2013. Mrs. Harris stated staff had already taken a look at the need and said it would be closely monitored. She stated other departments have fleet needs as well. Mr. Likens commented he would likely ask for two ambulances next year as there are two the County is currently spending a great deal of money on to repair.

As the proposed budget does not include a County appropriation for Bunn Rescue, Chairman Dunston acknowledged Steven Cairns, Chief of Bunn Rescue, for comments. (The EMS Director did not recommend funding due to a lack of emergency calls answered by the squad.)

Mr. Cairns commented he was not aware appropriation was not recommended for Bunn. He said he attended each EMS Advisory Council meeting he was made aware of and expected he would have been told about the recommendation against appropriation. He confirmed the department has had difficulty answering calls based on the number of active volunteers and said 40 have been answered this year. He added that he felt it difficult to compete with two rescue vehicles located on standby approximately one-half mile from the Bunn Rescue building. Mr. Cairns noted there are ways to contribute other than on a rescue vehicle. He said the department is currently

hosting an EMS class and a Rescue class. He also stated the County is not paying insurance or amortization on the trucks as they are owned by the Bunn Rescue Department.

Chairman Dunston noted there were 1,587 calls in the Bunn District from March 1, 2010 to February 28, 2011. Of the 1,587 calls, 36 patient call reports (PCR) were generated by the Bunn Rescue squad. The total number of transports from patient call reports was six. Of the six transports, three were assisted and three were unassisted. Mr. Cairns stated the figures presented did not include crash truck responses.

*Commissioner Bunn arrived at 6:23 P.M.*

Other items considered by the Board included overtime for the Emergency Communications Department (additional \$41,518 from fund balance); overtime for the Sheriff's Department (additional \$72,000 from fund balance specifically for holiday patrol); as well as a Tax Office Data Analyst position (additional \$47,248 from fund balance budgeted at nine months). Department Heads Christy Shearin (Communications), Elliott Pinnell (Interim Sheriff) and Jimmy Tanner (Tax Administrator) offered justifications for their requests.

Finance Director Chuck Murray stated fund balance appropriation needed for 2011-2012 would be \$2,723,670 considering the following:

FY 2011-2012 Proposed Expenditures	\$66,466,954
Additional overtime for Communications	\$41,518
Additional overtime for Sheriff's Office	\$72,000
Additional funding for Tax Analyst (for nine months)	\$47,248
Total General Fund Budget (including EMS)	\$66,627,720
FY 2011-2012 Proposed Revenues	\$63,904,050
Fund Balance Appropriation	\$(2,723,670)

Mr. Murray stated the estimated percentage of undesignated fund balance is 17.55% before adding in overtime for Communications and Sheriff and the additional Tax Analyst position. Considering the \$2,723,670 needed from the general fund to balance the budget (after adding in overtime for Communications and Sheriff and the additional Tax Analyst position) the estimated fund balance is 17.26%.

The Board also discussed the fire tax rate increases requested by Bunn and Louisburg Fire Departments. Bunn requested an increase from 4.75 cents to 6.30 cents. Louisburg requested 6.25 cents to 7.25 cents.

In the form of a motion, Commissioner Lancaster stated his feeling that additional positions should not be added at a time when a reduction in force is in place. Regarding overtime for the Sheriff's Office, he stated the Sheriff should come back to the Board and request overtime at the time of need (Thanksgiving/Christmas holidays) allowing the Board to see how revenues are progressing. He stated he did not support the overtime request for Communications. Regarding fire tax increases requested by Bunn and Louisburg Fire Departments, Commissioner Lancaster stated he would support a one cent increase. The motion died for lack of a second.

The Board then briefly discussed the proposed five-day furlough included in the budget. Mrs. Harris stated staff had already moved forward with Commissioner Lancaster's suggestion (made during the June 15, 2011 budget work session) to reduce each employee's salary by 1.92 percent. During the process, the five days of furlough would be managed at the department head's discretion.

Commissioner Mitchell asked Communications Director Christy Shearin if any overtime was built into her department's budget. She stated it was not. She said she would not request the overtime if it was not an absolute need.

Tax Administrator Jimmy Tanner offered that his department could function without adding the Tax Analyst position, but stated it would free up staff to generate more revenue in collections. He stated the current collection rate is approximately 97%.

Commissioner Dunston commented that needs at Communications are just as important as the needs of EMS. He said without proper staffing at Communications, the public safety system is broken. He stated he was in favor of allowing some overtime for Communications.

Commissioner Lancaster then stated he was reconsidering his earlier recommendation/motion.

Commissioner Lancaster then made a second motion to fund the proposed 2011-2012 proposed budget with three additions (additional overtime for Communications and Sheriff's Office and additional funding for Tax Analyst for nine months) as well as a one cent fire tax rate increase requested by Bunn and Louisburg Fire Departments. The motion was seconded by Commissioner Mitchell and carried approval with a 6 to 1 vote. Commissioner McGhee voted "NO."

Recognizing the need for additional overtime, Commissioner McGhee stated she was not in favor of approving it when county staff are losing jobs and when a large amount of debt is coming online in one year. Commissioner McGhee also stated she understood the request for Tax Analyst, but not at a time when furloughs and layoffs are being induced. She also stated additional layoffs would be needed in 2012-2013. She also commented she was not in favor of a tax increase, but stated she would like to find another solution regarding overtime.

Commissioner Mitchell then made the motion to approve the 2011-2012 budget ordinance as presented levying a general fund tax rate of eighty-seven and 25 tenths per one hundred dollars valuation of property listed for taxes as of January 1, 2011 and approval of a general fund budget totaling \$66,627,720 reflecting no tax rate increase. The motion was seconded by Commissioner Lancaster and carried approval with a 6 to 1 vote. Commissioner McGhee voted in opposition.

In keeping with the Board's goal to avoid a tax increase for its citizens, Commissioner Swanson stated cuts were necessary in every county department.

Tax Administrator Jimmy Tanner asked the Board to schedule a time for a work session regarding Revaluation that would require approximately two hours. The Board scheduled the session for 6:00 P.M. on August 1, 2011 prior to its regular meeting at 7:00 P.M.

County Manager Angela L. Harris stated she appreciated the cooperation received by all involved in the challenging budget process.

Chairman Dunston followed up by stating the Board and County staff worked hard to provide the best possible budget.

Commissioner Mitchell made a motion to adjourn, seconded by Commissioner Swanson. The motion duly carried with all present voting "AYE."

---

Sidney E. Dunston, Chair

Kristen G. King, Clerk to the Board