

June 9, 2016 Budget Meeting (County Department Presentations)

The Randolph County Board of Commissioners met at 6:00 p.m. for a special budget session in the 1909 Randolph County Historic Courthouse Meeting Room, 145 Worth Street, Asheboro, NC. Commissioners Frye, Kemp, Haywood, and Allen were present. Commissioner Lanier was absent. County department heads were given the opportunity to present their budget requests. Also present were County Manager Hal Johnson; Finance Officer Will Massie; County Staff Attorney Aimee Scotton; Amanda Varner, Clerk to the Board; Dana Crisco, Deputy Clerk to the Board.

Cooperative Extension

Jonathan Black, Cooperative Extension Director, said he was happy with his department's budget and explained the additional position included in the Proposed Budget. He is requesting a livestock extension agent position starting in the 2016-2017 budget year that will provide education to Randolph County citizens in the areas of sheep, goats, horses, forages, and 4-H youth development. The educational program would include farm visits, field days, workshops, and other means of providing hands-on education in order to deliver research-based information to producers, in turn increasing the profitability of those operations.

He reminded the Board that Randolph County is #1 in goats (2,700 hd.), #1 in beef cows (16,500 hd.), #2 in all cattle (43,500 hd.), #2 in dairy cattle (4,700 hd.), #6 in poultry (36,015,000 hd.), and #6 in hay in North Carolina (26,200 acres), and agriculture accounted for \$568,546,742 (2012) in economic value for Randolph County. Randolph County's equine inventory (3,780 hd.) is valued at \$22,953,000. Cash receipts for livestock, dairy, and poultry sold on the commodity market total \$251,507,011 according to the North Carolina Department of Agriculture.

This agent position would be funded 98% by Randolph County and 2% by NC State Extension. NC State has also agreed to provide a yearly travel allocation and cover all costs associated with training. The formal training program for new agents is very extensive and ongoing. He asked for an additional \$10,000 from Randolph County to cover the salary and benefits for this position, and the rest of the salary and benefits would come from lapsed salary dollars that are currently in the budget. The total County portion of the budgeted salary would be \$44,100 and fringe benefits would be \$13,230.

Currently, the Extension Director is covering all of the livestock work in addition to his administrative duties. He will continue to cover cattle and forages, but the need for an agent dedicated to livestock still exists, as the workload is heavy since Randolph County is such a large producer of livestock.

Mr. Black stated that the big project in the upcoming year is the Agri-Business Civic Center planning and making sure it fits the needs of Randolph County citizens. Agri-Business Civic Center Committee members were appointed at the June 6th Commissioners meeting. He said plans are to design it so that it can be used for a lot of different things/events.

Human Resources

Jill Williams, Human Resources Director, presented recommendations for employee recruitment and retention stating that a skilled workforce is necessary to provide quality services to the citizens of Randolph County. As of June 1st, 670 of the 815 filled positions required advanced degrees, certifications or specialized experience. She said the County is continuing to see double-digit turnover rates in 2016 (13.06%) estimating annual average costs to be \$907,200 for advertising, time to fill the position, lost work from the vacant position, and productivity loss during training.

Ms. Williams talked about ways to address the ongoing challenges to recruit, retain and promote the right people: 1% cost of living adjustment, 2% market adjustment, return to the step/grade pay plan, merit increases, and a one-third study. In the one-third study, the County would determine how its positions relate in the market. It will also be a useful tool in making future pay and position recommendations. She stated that it is best practice to review the pay plan every three to five years. With the help of the Piedmont Triad Regional Council, one third of the pay plan positions will be reviewed in the 2016-17 year.

She said additional ways to address the challenges are benefit considerations, such as a 401k contribution increase and providing dental insurance for employees. Randolph County currently offers a 2% 401k match for employees and non-sworn law enforcement. (Sworn law enforcement receives a mandated 5%.) According to survey results from the UNC School of Government, fifty-one counties contribute to a 401k. Thirty-five of those contribute 3% or more. Forty-nine counties either cost share (8) or pay 100% (41) of employee dental coverage.

Chairman Frye thanked Ms. Williams for keeping this in front of them. He said he feels this is an important issue.

Administration

Will Massie, Assistant County Manager/Finance Officer, said that the Administration budget is pretty much the same as it has been and is satisfied with what has been proposed in the budget. There is a decrease in the unemployment insurance contribution and those funds will be used to contract with the Piedmont Triad Regional Council of Governments to conduct the classification study.

Information Technology (IT)

Michael Rowland, IT Director, said the 2016-17 IT budget has decreased slightly this year partly due to reduced hardware maintenance costs realized after replacing obsolete equipment. Other savings are due to lower costs expected in the technology maintenance plan projects that had been scheduled for this year. He said the savings will offset some of the increases expected in the enterprise software. The total cost for the third year of the technology maintenance plan is \$184,000, which is less than in prior years. The individual costs are \$18,000 for the SQL database software maintenance, \$41,000 for the network equipment upgrades, \$50,000 for the server hardware replacements and \$75,000 for phone replacements.

The 2016-2017 IT budget also includes a request for a new Infrastructure Services Specialist I position. Mr. Rowland said this position has been needed and requested for several years and thanked management for including it this year. The Infrastructure Services division is

responsible for maintaining the County technology infrastructure and system security. This division also runs the IT helpdesk. The Infrastructure Services workload has grown considerably over the years. In addition to their normal workload, they are also tasked with completing the technology maintenance plan projects and faced with supporting a much more mobile workforce. Many County employees are now using laptops, tablets and smart phones in the field. This provides the field workers with the required tools needed to perform their job remotely and efficiently but puts an additional workload on the staff. Mr. Rowland said that over the next year, the Infrastructure Services staff will be working closely with Emergency Services on the move to the new headquarters building. The new Infrastructure Services Specialist I position will allow IT to ensure that the appropriate resources are available for these more technically challenging projects.

Tax

Debra Hill, Tax Assessor, said that she first wanted to, as a citizen of Randolph County, thank the Board for their service and commitment to the citizens; and as a Department Head, wanted to thank them for recognizing the hard work and dedication of the employees. She said the Tax Department proposed budget has very little change from last year. The General Assembly has once again increased property tax collection fees for the License Plate Agency because of their increase in collection costs. An increase for the costs of conferences and training required for continuing education requirements for real property appraisers and new staff members has been requested. A vacant Tax Information Specialist position has been eliminated in this year's budget because of the reduction of inquiries concerning registered motor vehicles since the Tag and Tax Together became effective.

Chairman Frye asked why the total number of County employees was still the same and Mr. Massie stated that the vacant Tax position was moved to Public Buildings to allow them another needed position.

Elections

Melissa Johnson, Elections Director, stated how grateful she was that the Board knows and understands what employees do and how important they are. She thanked the Board for their support.

Elections prepared for and implemented Voter ID legislation, including the extra training for staff and 150 precinct officials per election. This also required additional workers, materials, training, and updated procedures. Due to these changes and the need for newer technology, the Board of Elections is planning to purchase additional new tabulators, replace laptops and voting booths, and explore improved software to serve voters more efficiently and cost effectively. The second 2016 primary was just completed with a 6% turnout. She said Randolph County is now completely in the 6th Congressional District.

Elections is seeking a new site for early voting for the upcoming Presidential election because their space at the Board of Elections office is small. They plan to promote early voting heavily so that there are fewer people/shorter lines on Election Day. The Board of Elections will also be looking at moving at least one polling place and making other accommodations to shorten wait

times for voters (more machines, computers and workers). They are also looking for additional poll workers and are checking location accessibilities.

Commissioner Haywood asked if people would still be able to write in candidates. Ms. Johnson verified they could.

Register of Deeds

Krista Lowe, Register of Deeds, was pleased with the department budget being proposed which is at the same level as last year. She updated the Board on the “Thank You for Your Service” Veterans Discount Program. She said there was a huge turnout and they issued 180 discount cards that day and a total of 320 since starting the program.

Public Buildings (Maintenance)

James Chriscoe, Maintenance Director, is pleased with the department budget. He stated that he is asking for two full-time employees to focus on the overdue painting needs in County buildings.

Sheriff’s Department

Sheriff Robert Graves thanked management for including two new positions in the department’s proposed budget: one professional standards investigator with a rank of captain (\$77,264) and one new law enforcement clerk for records (\$37,529). He said he plans to use the professional standards investigator position to help the department move forward as a professional organization. The captain will oversee performance, appraisal, internal matters that have to be investigated, and take appropriate action when needed. They will also help with the employee improvement process so the employees grow in their profession. The clerk position is needed for the increase in record keeping, especially in gun permitting.

He said not included in the Manager’s Proposed Budget were four additional deputy sheriffs for patrol (\$200,952) to continue to be a more proactive department. Operating costs for the four new deputies are \$70,700 and \$107,824 for four new vehicles. One deputy would be added to each shift to concentrate in high crime areas that need more direct attention.

Sheriff Graves reiterated the need for market adjustments for law enforcement officers in order to be competitive in the market in hiring and retaining employees. He stated the department takes the investment in training but then the deputies leave for higher paying departments.

Emergency Services

Donovan Davis, Emergency Services Director, thanked the Commissioners for all of their support given to his department. He said hiring and retention is also an issue in his department and appreciates the consideration of the adjustments. He is satisfied with amount proposed for the department’s budget but did ask the Commissioners to consider adopting the proposed changes to the ambulance fees and reviewed those changes. He said the last changes were in 2014. Since that time many changes have occurred causing significant operational cost increases such as fuel, new and replacement equipment, oxygen, medications and general medical

supplies. All but one of the 2016 Medicare allowable charges have increased. During the 2015 calendar year, EMS responded to 20,769 calls.

Included is a new fee for transporting a deceased patient to the morgue. The current amount is \$95 and will be reimbursed fully by the NC State Medical Examiner's Office.

Mr. Davis said he compared fees with each of the surrounding EMS agencies/counties. Randolph County continues to have one of the lowest emergency transport fees in the area. The current fee schedule is no longer sufficient to maintain the operational costs. Medical supplies have increased 125% since the last fee increase. He said they do fall in line with the recommended 130% of the Medicare allowed amount. The recommended increase ensures Randolph County's compliance with Medicare guidelines of collecting the 20% obligatory co-pay and minimum 130% or 150% Medicare Fee Schedule (MFS) requirement that will maximize payments from insurance companies. Vehicle maintenance and repair has increased 142% since the last fee increase.

Building Inspections

David Bryant, Building Inspections Director, said he was happy with the budgeted amount for Building Inspections. Included in the department budget were two new vehicles and \$50,000 to be used for the demolition of abandoned structures discussed during the Board retreat. He said revenues have increased in the current year.

Chairman Frye asked if there had been a priority list established for the properties discussed at the retreat. Mr. Bryant said that the Abandoned Structures Safety Committee will go through the process to determine priority of demolition.

Adult Day Reporting Center

Pam Smith, Adult Day Reporting Center Director, said their budget is the same as the prior year with the exception of \$5,000 additional that is needed for program supplies such as drug screening items. Weekly urine drug screenings are required in order to monitor the participants. The number of participants served has increased each year. In 2012-2013 they served 161 participants, 255 in 2013-2014, and in 2014-2015 they served 332. So far in FY 2015-16, they have served 270 participants at a cost savings of \$2,339,740 to the taxpayers by reducing the overcrowding in the jail for non-violent offenders. They anticipate serving 330 or more by the end of the current fiscal year. She said this has been a continuous trend over the last several years.

Juvenile Day Reporting Center

Megan McKinnon, Juvenile Day Reporting Director, announced that the Randolph County Juvenile Day Reporting Center has received their annual funding of \$323,622 from the NC Department of Public Safety. This funding allows them to provide the following programs to Randolph County youth:

- *The Asheboro/Randolph Teen Court Program*, which diverts first time offenders from the Juvenile Justice System, serving ages 11-17;

- *The Asheboro/Randolph Community Service and Restitution Program*, which holds juveniles accountable for their actions by utilizing community service activities and restitution to help pay back their victims, serving ages 9-17;
- *The STEP Center*, which offers evidenced based curriculum to at-risk and court involved youth ages 9-17 and their families;
- *Psychological Funding*, which pays for court involved, noninsured juveniles to receive psychological testing.

She said her department had been providing these services to Montgomery County youth at a contracted price of \$70,347. Montgomery County will now be providing these services within their own county in the 2016-2017 fiscal year, which means Randolph County will no longer be receiving the additional funding. In years past, the waiting list for services to our youth has been long due to limited case workers, limited class size and the inclusion of at risk and court involved youth from Montgomery County. She said without this Montgomery County contract, the JDRC will be able to provide more timely services to Randolph County youth and serve a greater number of at risk and court involved youth right here at home.

To reach more at risk youth, the JDRC has now partnered with local schools, the Sheriff's Office, Asheboro Police Department, as well as the Department of Social Services to get these youth into programs before they enter the Juvenile Justice system. This partnership will allow them to provide services to even more youth in need and hopefully keep them out of the court system. To continue to provide these services to at risk and court involved youth and to serve a greater number of Randolph County youth, management included the funding for one case worker position that was previously covered by the Montgomery County contract. She thanked management for funding this position and said their goal is to help these youth find the right path to become productive adults that contribute to Randolph County.

Ms. McKinnon said the recognized age of an adult is being considered. The State currently says juveniles are sixteen years and younger. This could be changed to eighteen years of age, causing another increase in participants that need to be served through the program.

Commissioner Allen serves on the JDRC Board and said it has been an eye opening experience and thinks it is a good use of County funds to try to make a change in the lives of troubled youth in the County.

Planning and Zoning

Jay Dale, Planning and Zoning Director, had no special requests. He was satisfied with his department's proposed amount included in the budget and stated that they have been doing cross-training of positions in his department to be more efficient. He thanked the Information Technology department for keeping the permitting process updated with new innovative ways to improve their jobs.

Soil and Water

Jenny Parks, Soil and Water Department Head, said they are happy with what the Manager had included in the Proposed Budget for Soil and Water.

Public Works

Paxton Arthurs, Public Works Director, said he is happy with the Public Works budget and had no requests. He took the opportunity to talk about the changes with his department. With the opening of the new landfill, the department will take on more of an engineering role and the majority of revenue and expenses will go away. The construction schedule has changed over time but currently believe completion will be in mid-December. Although current landfill operations are only expected to continue until mid-year, most of the year is being funded. Landfill transfer station expenditures will be offset by revenues and any changes will balance out.

He updated the Board on the construction of the Emergency Services Headquarters. Due to rain delays, the completion date has been estimated around February.

Public Health

Susan Hayes, Public Health Director, was happy with the budget. She identified the changes in the Health Department fee schedule that the Commissioners would consider during budget adoption. There was a comprehensive study completed and they have based fees on actual costs. Some were increased and a few were decreased.

Ms. Hayes said she was very proud to work for Randolph County and appreciated the Board of Commissioners.

Social Services (DSS)

Beth Duncan, Social Services Director, said the Board of Social Services approved the department's budget at their last month's meeting; a copy of which was provided to each Commissioner in May. She reviewed a few of the highlights that have affected their budget.

She said that last year, the hot topic was potential Medicaid expansion in North Carolina. The NC General Assembly opted to first reform the Medicaid Program, then possibly, expand Medicaid. She said monumental changes have already occurred in many of the programs administered by the Randolph County Department of Social Services (RCDSS). She stated that "these changes, along with inadequate staffing levels, resulted in Randolph County Social Services having a backlog which, at times, seemed insurmountable. In fact, in January of 2016, RCDSS ranked #1 in NC with the largest backlog of cases as a percentage of our Medicaid caseload. Randolph County was the most impacted." She said with the Board of Commissioner's approval of new positions, and, after a year of on-the-job-training for the newest Medicaid caseworkers, staff members were able to perform a total of 1,412 hours of overtime (from January 2015 through February of 2016). As of last month, that backlog of cases no longer exists, and the Income Maintenance Caseworkers now have the ability to focus on timely processing of applications. Ms. Duncan said she, the DSS Board, and the DSS staff are grateful and thankful for the support the Commissioners provided in the way of reinforcements. That support allowed them to feel a measure of success in a program that is vital to the economic, mental, and physical health of the community.

She said that on March 8, 2016, the NC Department of Health and Human Services Secretary updated North Carolina General Assembly's Joint Legislative Oversight Committee on Health

and Human Services on several departmental initiatives including: Medicaid reform; the Governor's Task Force on Mental Health and Substance Use; Local Management Entities and Managed Care Organizations alignment; and Food and Nutrition Services program timelines. She said those four initiatives could be strengthened in the same direction or changed drastically if there is a change in state leadership with the November 2016 elections. Regardless, each of these initiatives will impact the Randolph County Department of Social Services and how resources (both staff and money) are aligned to serve citizens.

The NC General Assembly asked for Medicaid reform to provide more cost-predictability and improve access to quality medical services. Today the Medicaid program is a fee-for-service program. She said plans are to move toward "capitation" where providers receive a set amount of money per-patient-per-month while being tasked to provide all services for that set amount. NC's plan will require medical providers to meet performance benchmarks. The focus will be on creating a healthy community, which dovetails nicely with the County Strategic Plan, she added. Ms. Duncan explained, for broad changes to the Medicaid program, NC must obtain a federal waiver. The Governor submitted that letter to the US Department of Health and Human Services on June 1st. The Centers for Medicare and Medicaid Services are currently reviewing the plan and they are looking for innovative approaches to providing community-based health care with higher health outcomes. The outcome standards are expected to be aligned across systems including behavioral health and physical health.

The U.S. Department of Agriculture notified NC that the state must achieve and maintain high processing rates to ensure that Food and Nutrition Service applicants are provided timely food benefits (within seven days for emergency benefits or within thirty days for non-expedited benefits). Failure to meet the federally-prescribed processing rates could subject the state and counties to a collective loss of \$80 million in federal administrative funds. Ms. Duncan said that RCDSS has consistently performed within the required timeframes, with the exception of this past winter during inclement weather which prevented enough work days available to complete their work.

She said that a last minute development in this budget cycle was the state's direction to budget for twelve full months of child care subsidy. Originally, counties had been instructed to budget half a year. She said they are now learning that NC FAST automation roll-out date for the child care subsidy program has been delayed. This will likely create delays for state automation implementation for Children and Adult Services.

Recognizing state automation was in the distant future for Social Work staff and recognizing Child Welfare and Adult Services abuse cases are becoming more and more complex, RCDSS took action to launch an automation project ahead of the NC FAST plan. During 2015, Randolph County hosted a group from NC DSS/Division of Children's Services to showcase the work being done in FAMCare, an automated case management program specifically designed for Child Protective Services. She said rollout of the project came with the expected challenges. The Social Work Program Administrators and the staff Computer Services Administrator are all working through the process to ensure employees have proper training and the automation tools to manage their work.

In conclusion, Ms. Duncan said the requested budget takes into consideration the forecasted programmatic and staffing needs anticipated in carrying out mandated services to empower, protect and educate citizens who cannot take care of themselves.

She praised her staff for their hard work and willingness to get the job done. She had no additional requests.

Veterans Services

Terry VanVliet, Veterans Services Director, said she is satisfied with the proposed budgeted amount for Veterans Services. She thanked the Commissioners for keeping a Veterans Service office in the county. In past years the State would give each county \$2,000 per year but last year they did nothing. This year they allowed each to make an application and Randolph County Veterans office received \$1,900.

She praised the event that the Register of Deeds office held providing veterans discount cards and reported that many have been able to use those discounts.

Child Support Enforcement

Damon Brown, Child Support Services Director, was pleased with what was included in the Proposed Budget for Child Support. He reported that his budget decreased due to not having to pay rent any longer and thanked the Board for supplying the building they have recently occupied.

Public Library

Ross Holt, Public Library Director, said he was satisfied with the Library budget and had no additional requests. He then shared visitor statistics and results of recent surveys about the libraries in the county.

Adjournment

At 7:47 p.m., on motion of Haywood, seconded by Kemp, the Board voted unanimously to adjourn.

Darrell L. Frye, Chairman

Phil Kemp

Stan Haywood

David Allen

Amanda Varner, Clerk to the Board