

WORK SESSION AGENDA

May 19, 2009

4:15 p.m. ~ Work Session

Montgomery County Board of Commissioners Conference Room

The Montgomery County Board of Commissioners met in a work session on Tuesday, May 19, 2009 at 4:15 p.m. in the Montgomery County Commissioners Conference Room. *Chairperson Morris called the meeting to order and the following was heard:*

In a motion made by Commissioner Corbett, seconded by Commissioner Edgar Morris, and so the motion carried unanimously to call the meeting to order.

Recycling Committee Update

County Manager Lance Metzler explained that meetings have been taking place between the County and Republic Services.

Joe Reynolds from Republic Services, Dale Goforth with Allied Waste, and Bill Hamilton with Montgomery County were present.

There are six sites that need to be prepared by the first of September. Allied Waste has agreed to position the bins. The Town of Troy is going to install a bin. Lance is going to talk to the other towns to see if they will provide a site.

Mr. Matheny said the contract between the County and Republic will have to be modified and it will require a public hearing. Attorneys are working together to start the process. He said the public hearing should be held in November.

Tier one would cost \$25,000.

We also discussed providing bins for people to collect recyclables for their homes. The cost is around \$7. We would need around 5,000 of them which would be \$35,000. We also discussed Woodrun and Carolina Forest. Could we add them?

Mr. Goforth said yes. I know Woodrun has room, but I don't know about Carolina Forest. Commissioner Corbett said the forest land joins it. Mr. Matheny asked them to take a look at it.

Mr. Matheny said we would also like Lance to negotiate some of these costs.

Commissioner Edgar Morris said of these 12 sites, you mentioned Swift Island. That is probably a busy site. Mr. Matheny said that should be a priority he said Lance is going to contact Progress Energy.

Commissioner Matheny asked Bill Hamilton when he could get it completed. Mr. Hamilton said it depends on how much footing.

Mr. Metzler said the cost on it would be a savings because we wouldn't be going through the dirty MRF.

Chairman Morris said I don't think anyone here is against a recycling program. We have a recycling committee working together. It isn't the best time to ask for money; however I do not think they are overstated. He asked Mr. Reynolds to go over.

Mr. Reynolds said it costs to run the dirty MRF. Uwharrie has agreed to pay for the education information and to go into the schools. He said I am unsure on how this will grow. I have two or three more counties interested in single stream. There is opportunity, possibly jobs. He said we receive calls daily why we aren't recycling. We are through the dirty MRF.

Chairman Morris asked what the bins will include. Mr. Reynolds said I will give you a listing.

Commissioner Corbett said we need to relocate the Swift Island. He said it is a safety issue. Mr. Hamilton said it needs two entrances.

Mr. Reynolds said as a citizen, these sites need work. Brutonville Site needs work. It was built too small to start with. Dale and I have ridden to all of the sites.

Chairman Morris asked Mr. Reynolds if he had spoken with the towns. He said I haven't. Mr. Reynolds said it is going to have to be convenient and a nice place. Some of the sites now are really tight.

Commissioner Copeland said they may be on Board in Candor.

Commissioner Matheny said there are a number of issues with the town sites, for example should there be a fence. He said in town may be bad. Chairman Morris said the manned sites will not be bad. Mr. Reynolds said that is right.

Commissioner Corbett said we need to get the people out of the buildings at the sites.

Commissioner Matheny said it will cost around \$70,000 to fix Brutonville.

Mr. Metzler said once I put all of this information for you and give you a cost.

Commissioner Matheny said our recommendation is to start in September.

Commissioner Edgar Morris said I noticed that the City of Albemarle has the recycling trucks. Mr. Reynolds said you would incorporate another hauling and it would double. Dale would know more.

Mr. Metzler said we will have to gauge on how often we pick up by trial and error.

Mr. Metzler said I would recommend the Board add this \$25,000 to the budget. All Board members agreed. Mr. Metzler said there are grant funds we have to go towards the recycling programs.

Chairman Morris said you have the nod from the Board. Twist all the arms you can. We are going to have to lead.

Mr. Metzler said we are one of the only Counties that pay for the towns hauling costs.

Mr. Metzler said we want to do a hazmat pick-up for around \$11,000. Mr. Reynolds said we can't accept hazardous material. Mr. Matheny and Mr. Metzler said we have contracted with someone else, we are asking for monetary help.

Mr. Reynolds said we will save \$81,000. Mr. Metzler said I had to subtract some other figures and it will be \$50,000.

Chairman Morris asked if this would be a wash. Mr. Reynolds said no, because of the money you will have to have to upgrade the sites.

The Board and County Manager discussed the amount of tonnage currently received.

Mr. Reynolds said we do not know what the State is going to do. SB1482 will make it almost impossible to build a landfill and there is no telling where they will go with recycling. One day we may have to go to complete separation.

Chairman Morris thanked everyone for their reports.

Items Carried Forward to the Regular Session

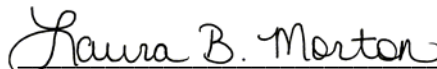
There were no items to carry forward to the regular session.

Recess

There being no further business Chairperson Morris recessed the meeting until the regular session.



Jackie Morris, Chairman



Laura B. Morton, Clerk to the Board

**Board of Equalization and Review
May 19, 2009 ~ 5:00 p.m.
Montgomery County Commissioners Room**

Chairperson Morris called to order the Board of Equalization and Review. No one was present to appeal their property valuation.

Commissioner Corbett made a motion to open the meeting. Commissioner Edgar Morris seconded the motion. The motion carried unanimously to call the meeting to order.

Chairperson Morris adjourned the Board of Equalization and Review.



Jackie Morris, Chairman



Laura B. Morton, Clerk to the Board

Montgomery County Commissioner's Meeting

May 19, 2009

Chairperson – Jackie Morris

Vice Chairman – Dolon W. Corbett

Commissioner – Anthony Copeland

Commissioner – Jim Matheny

Commissioner – Edgar Morris

County Manager – Lance L. Metzler

Finance Officer – Lisa Rolan

Clerk to the Board – Laura B. Morton

County Attorney – Russell J. Hollers

The Montgomery County Board of Commissioners met in a regular session on Tuesday, May 19, 2009 at 6:00 p.m. in the Commissioner's Assembly Room. All Board Members were present. *Chairperson Jackie Morris reconvened the meeting and the following was heard:*

Consideration of the Agenda

In a motion made by Commissioner Corbett, seconded by Commissioner Edgar Morris, and so the motion carried unanimously to accept the agenda.

Invocation

Rev. Neil Pressley of Troy Pentecostal Holiness Church gave the invocation.

Recognition of Boy Scout Troop 81

Chairman Jackie Morris recognized Boy Scout Troop 81 who was in attendance at the meeting. They were working on earning a badge and being an Eagle Scout.

Overview of Rules & Procedure

Lance L. Metzler, County Manager gave an overview of rules and procedures of the Board of Commissioners.

Public Forum

The following spoke during the public forum:

Chairman Morris said we have several people signed up and I feel it is probably the same thing. You are welcome to speak. If someone has already said what you want to say and are going to ask that you echo it with you hand.

Mrs. Amanda Beaman of 796 NC Hwy 109 N in Troy was present. Soundra McRae and Dottie Robinson yielded their time to Mrs. Beaman. She provided the following comments:

“Good evening, I was asked to speak tonight by several fellow employees of DSS to voice numerous concerns of the recent discussion on insurance change. I would like to take a few minutes of your time to discuss these issues and bring some matters to your attention that you may not be aware of. I have had dealings in the past with First Carolina Care, not only as a patient with this insurance coverage, but also as a nurse working in a physician's office and dealing directly with the company on a physician basis.

This is a difficult insurance company to deal with in covering labs, procedures, and diagnostic imaging services. When a physician calls to per-cert a procedure, they are directed to a panel of nurses who ask them various questions about the patient's condition. The nurse has a list of symptoms listed for that condition. If the patient does not meet all the criteria listed, the procedure will be denied. The doctors must then take the time to call the insurance company themselves and speak with a physician on the insurance board. Most doctors will not take the time to do that. They will put the procedure off until the patient gets worse.

I had this insurance coverage for three years. Not one time during that time period was I satisfied with the coverage. I had several diagnostic services that ended up having to pay out of pocket expense to cover and not one time had blood work drawn where I didn't have to pay co-pay after insurance paid.

When I was 15 weeks pregnant with my son, I was referred to Chapel Hill, a participating provider with First Carolina Care for further testing and counseling due to abnormal labs. At the time, I was seeing Southern Pines Women's Health Center also a participating provider with First Carolina Care. Shortly after my visit to UNC-CH, I received a bill from the insurance company stating that my patient portion was \$2,000. I had already paid a \$200 co-pay the day of the visit. I called the insurance company outraged that I was having to pay this amount. I was told by them that it was because the procedure had not been pre-certed by the physician's office before hand. Upon speaking with the doctor's office, I was told "we've never had to do it before" and it was left at that. Never an apology or anything. I fought this for 6 months, getting nowhere, only to still be paying on the \$2,000 owed. Now let me pose a question to you. If this happens in the future with an employee, would you be OK with us using work time to call the insurance company and stay on top of this matter to try to get the procedure paid for? The insurance company has the same 8-5 hours we do, and no extended hours to call and speak with a representative. I called CCWC to ask about accepting FCC, but the office manager refused the insurance saying that she has inquired about their coverage and wasn't satisfied with the results. It would be hard to convince out of network providers to being accepting FCC. I ask you tonight to keep these few points in mind when making a decision on your employees' health coverage. Employees should not have to sacrifice good insurance coverage for cheap premiums. Thank you for your time and attention."

Mrs. Sheila Talbert – 127 S First Street in Albemarle was present and provided the following comments:

"April 9, 2009, I was diagnosed with breast cancer. Since then I have seen my surgeon, oncologist, and plastic surgeon for reconstruction at Blumenthal Cancer Center in Charlotte. All are in-network for CIGNA but participating for First Carolina Care.

All recommended test have been completed and I was ready to schedule surgery but felt I couldn't when I learned of a possible insurance change. I felt I was on a roller coaster ride just trying to make the decision to have surgery right away or wait until July. Three weeks ago when my tests were evaluated I learned that by having a mastectomy I stand a strong change to NOT have chemo or radiation . . . due to it not having spread. I'm afraid that waiting until July , going through all the channels of finding an oncologist, surgeon, and plastic surgeon, waiting until their schedules could be coordinated would put me many months further down the road before surgery could be scheduled. By that time the cancer could have spread, leaving me to have chemo and radiation;

defeating the purpose of having a mastectomy. (It is invasive cancer, meaning it will spread if not taken care of.)

I have established good rapport with these doctors. To change insurance companies at this time will mean more out of pocket expense for me, added expense for the county due to my being off extra time to find new doctors again, and worst of all further delay to get surgery scheduled.

Due to these reasons, I have surgery scheduled in Charlotte and I'm very concerned about having to change doctors in mid-stream. I'm wondering what plastic surgeon wants to take a half-completed job another plastic surgeon began; that's IF the new insurance will accept my pre-existing condition. I can't afford to stay with the doctors in Charlotte if insurance will not accept my pre-existing condition. I can't afford to stay with the doctors in Charlotte if insurance companies are changed and non-participating.

If you or anyone in your family has had cancer, you know something of the expense I am facing. But until you've had cancer yourself, you can't fully understand the stress and strain that comes with that knowledge. Learning of a possible insurance change right in the middle of all the decisions I was already faced with was really upsetting. I strongly encourage you to stay with CIGNA. Thank you for the opportunity to express my view."

Mrs. Joan Bennett - Mrs. Talbert provided a written statement from Joan Bennett. She couldn't stay due to taking care of her aging father. Mrs. Bennett's statement is as follows"

"In 2007, my husband had First Carolina Care. We used First Health Moore Regional Hospital, Pinehurst Surgical Center, Pathologist, and Anesthesiologist from Moore Regional Hospital.

In May 2007, he was told both his corroded arteries were blocked and he would need surgery on both of them. His first surgery was June 2007; Pinehurst Surgical handled everything including pre-certification, the second surgery was August 2007. Pinehurst Surgical assured him they had handled everything including pre-certification.

When we received our portion of his bill from the August 2007 surgery, First Carolina Care only paid 50% stating we did not get surgery pre-certified. When we questioned Pinehurst Surgical, the young lady that told him everything had been handled was no longer working there. I called First Carolina Care office numerous times. During this time we had to make arrangements to pay these amounts we owed to doctors, hospital, pathology, anesthesiologist in order for our credit to remain in good standing. Finally, I talked with a different lady who stated we could file a formal grievance and she explained how. She gave me names and an address to send a letter explaining my position. This information was given to me in March 2008. After filing a grievance letter First Carolina Care agreed I had a good reason to believe everything had been handled by the doctor's office and agreed to reprocess the balance of the claim. The same lady that never provided any help reprocessed some of my claims; she stated she would not process others because we owed those amounts.

After another round of calls, one day in July or August 2008, I got a different person on the phone. She agreed to reprocess all my claims and just see what it would show. After a few minutes she advised me it had paid all of the balances and we would owe nothing. She also advised me to contact the places I have been paying for the past year and ask for my money to be refunded I took

another 4 to 6 months to get my refunds from First Health, Moore Regional Hospital, Pinehurst Surgical Clinic, etc.

It took over a year staying with this, making numerous long distance phone calls to get satisfaction. Most people would give up way before this. This kind of customer service should not happen with insurance prices as high as they are. For county employees to have to make these kinds of calls will either be made on company time or each employee will have to take time off work to handle their business affairs with this insurance company since their hours are our working hours. Either way, it will be expensive to the county.

Leanne Kimbell said was yielding time to others.

Mrs. Brenda Caudill - 1470 Ether Road, Star, N.C. was present. Mrs. Caudill made the following comments:

"I am Brenda Caudill and I work with the Health Department and I just wanted to say that as a Health Educator and an advocate for developing healthy living skills, CIGNA has provided us with just that for our employees to establish a Wellness Committee and plan events that can help us become healthier individuals, offering incentives to help fuel employees interest and participation. I recognize that this is CIGNA's benefit, as eating healthier and becoming more physically active and taking part in Health Fairs where we learn about our "numbers" of blood pressure, cholesterol and glucose will help them save money in the long run. But I think we need to count this as a true benefit to staff and in evaluating other insurance companies ask if they offer any similar programs. We have used the funds to promote a County Employee Health Fair, put on Lunch and Learn programs, a healthy Tasting Lunch meal, and develop a walking challenge which we hope will get staff into the habit of being more physically active on a daily basis. Speaking on a personal basis, I have been very fortunate to have very few health problems but on the three occasions where I have had skin cancer surgery, I have absolutely had no problem with my CIGNA insurance coverage. Thank you."

Mrs. Cathy Thompson of 326 Shiloh Church Road in Troy was present. She had the following comments:

"Hello, my name is Cathy Thompson. Thank you for the opportunity to speak tonight about our health insurance. I have asked Pauline several times if she had a provider list for this insurance you all are thinking about changing to. She is such a good human resource person and attempted to get one. Today she told me to look at the MedCost website that this insurance is with. I looked at it and the provider page was down. I could not find out if one of my doctors was on the provider list. I am an 11 year breast cancer survivor. I went to Duke 4 days after my local doctor said it was most likely cancer. I have been there ever since. I will continue to go. The reason I bring up cancer is because it is close to my heart. It could be other health issues that we employees have already established with a doctor. I honestly do not think that changing to the First Carolina Care Insurance is the answer for the county. I have heard from others that have it how dissatisfied they are with it – people that work at Uwharrie Lumber and First Bank.

I understand that your job as elected officials is to spend the taxpayer's money wisely and that everything you do is looked at. I think though you should consider us employees when it comes to

matters that involve us. One suggestion I have is to charge us a little for our health insurance. In today's economy very few places pay 100% cost of insurance for their employees unless you are upper management. My last 2 jobs, I had to pay. I hope that when you all vote on the issue of health insurance that you will take into consideration the comments that have been made tonight. I also hope that you think about us employees that work hard for this county. Thanks again for the opportunity to address you tonight."

Carolyn Hager – Zion Church Road in Mt. Gilead was present. She also was concerned about the change in employee health insurance. She asked that the Board consider not changing to FCC.

Rhonda Iacona provided the following comments:

Please consider not changing insurance because of the cost. If there is another way to spread it out where we can help pay, please consider and not change.

Linda Lamp 207 Nancy Avenue in Biscoe provided the following comments and concerns:

Mrs. Lamp is concerned about the number of network providers and the expense of using non-network providers. She stated she is also concerned about the lack of continuity of care if employees have to change providers. Problems could result in liability issues. Mrs. Lamp said I am satisfied with CIGNA. She said I like the preventative care programs and the 100% payment of preventative care tests. She also stated that she appreciates this benefit by the County.

Satisfied with benefit of insurance provided by County.

Mrs. Linda Smith provided the following comments via letter:

"As a longtime employee, I find this time of year to be extremely stressful. It seems that at least every other year we are faced with the possibility that we are going to change insurance companies. I am completely satisfied with CIGNA and hope to stay with them a long time. It is frightening to think about what we could get into with some of the other insurance companies. These companies might be cheaper, but in most cases, you get what you pay for."

Mrs. Shannon Britt provided the following statement via note:

"I would like to keep CIGNA Insurance. Thank you."

Consent Agenda

In a motion made by Commissioner Corbett, seconded by Commissioner Edgar Morris, and so the motion carried unanimously to approve the following consent agenda items:

- a. Approval of the Minutes – February, March, April, & May 12 & 13 Budget Sessions
- b. Approval to take our executions on all delinquent 2007 real estate taxes under foreclosure.
- c. Approval of BA 31/09 – Sheriff Office.
- d. Approval of BA 32/09 – Health Department.
- e. Approval of BA 33/09 – Scattered Site Project.
- f. Approval of BA 34/09 – DSS Food & Nutrition Services ARRA Funds.

- g. Schedule Public Hearing for the June 16th Board of Commissioners meeting.
- h. Approval of Progress Energy Easement to install an electrical power pole to serve the new sewer lift station located in Springdale Heights.

Finance Director Report

Mrs. Rolan, Finance Director provided an update on the budget work she had done since the budget work sessions last week. She said she balanced with options of a 4, 5, 7 6 cent increase.

Mrs. Lisa Rolan provided the Monthly Financial Report (MFR).

OVERVIEW

The following is a summary of the County financial results for operating funds. This information is summarized from financial statements for the monthly period that ended April 30, 2009. The information presented shows where the County stands with three-fourths of the year behind us. We have had a very tough year and departments have already cut 15% of their operating budgets for the last quarter of this fiscal year. We continue to look at ways to cut expenditures and ways to increase our revenues.

FY 2009/2010 BUDGET UPDATE

We have presented the needs of the departments to the Board. For two days the Board listened to each department highlight their needs. We are currently approximately a little less than \$3 million dollars out of budget. The department's request are 2.9% above their request after taking a 15% reduction of their operating expense for the last quarter, which equated to approximately \$586,000. We are looking at ways to close this gap. Some of these options will include:

- A tax increase between \$.03 to \$.05. We know and realize that this is a very troubling and tough economic condition for everyone. However, over the last five years we haven't had any type of increase and as a result our fund balance has dropped well below the required fund balance of 8% by the State.
- We are reviewing all fees and will be asking for increases in services areas, including Animal Control, Inspections, Planning and Zoning to name a few.
- Expenses. We will be evaluating all travel, insurance cost, as well as other recommendations made by the board.

It is important to note, that even though we have reduced and almost eliminated the cost of Medicaid in the DSS budget, we have to give up approximately \$650,000 in sales tax revenue. This in itself is also a challenge but in the long run, the County is better off. The reduction in Medicaid is the result of negotiations through the County Association in which the counties agreed to give up a certain percentage of sales tax in order for the state to fully take over the County's Medicaid share. This was a phase out project with the 2009/2010 budget reflecting a budget that didn't have the Medicaid cost.

GENERAL FUND

With 83% of the fiscal year complete, General Fund revenues are 75.5% of projections and expenditures are 78% of budget as summarized below:

General Fund	Budget	YTD Actual	Percent
Revenues	29,912,754	22,577,296	75.48%
Expenditures	29,912,754	23,356,960	78.08%

Property tax is the largest source of general fund revenue. They comprise 61% of the budget and 87% of the taxes have been collected through April 30, 2009. Of the taxes collected 99.84% of property taxes budgeted have been collected. Other sources of revenue include licenses and permits, shared revenue, charges for services, and interest income.

The General Fund includes all services that are funded through general taxes and fees. In other words, it includes all county programs except those that are paid for through fees (for example, water and sewer fees, etc.).

The largest expenditures in the General Fund are for Sheriff Office, Health Department, Ambulance Services, Social Services and Montgomery County Schools, which is 61.25% of the total operating budget.

REVENUES

Overall, revenues are performing well. Any significant variances are noted below.

Revenues	Budget	YTD Actual	% Received
Taxes	18,196,191	15,885,673	87.3%
License & Permits	601,168	256,821	42.7%
Intergovernmental	6,935,127	3,859,141	55.6%
Charges for Services	3,479,499	2,160,819	62.1%
Other Financing Sources	330,000	330,000	100.0%
Miscellaneous Revenues	57,200	43,584	76.2%
Interest on Investment	198,000	41,258	20.8%
Transfers in	115,569	0	0.0%
Total	29,912,754	22,577,296	75.5%

- **Taxes.** This reflects the collection of property taxes; sales taxes, and other taxes applicable to the General Fund.

Currently, the County has collected 87% of the taxes projected which is above the budget for this time period. Currently, the state has only given the sales tax due to the County through February 2009. They are approximately two months behind in sending the dollars. On average, the County's total sales tax collection and disbursement is approximately \$300,000 a month. As of the end of the year, it appears we will still be below budget and this is the result of the monies that the County foregoes as a result of not having to pay for Medicaid expenses.

- **Licenses and permits.** These reflect the Register of Deeds, inspection fees, homeowners fee, zoning fees and recreation fees. As of the end of April, we have collected 43% of the projected

income from license and permits. The majority of these fees are economy driven and as a result you are seeing a decrease in revenue. During this upcoming budget process, we are reviewing all fees and surveying like communities to compare our fees to theirs.

- **Intergovernmental.** Intergovernmental revenues are State Shared Revenue and revenue from the state and federal government as well as grants. A portion of these revenues are reimbursement for Medicaid, Childcare and Social Service Administration. The small collection is related to some of the grant dollars not being received or drawn down. As the economy continues to decline, the County's portion of shared dollars continues to decline. The County has only received approximately 55.6% of the budgeted amount. We have asked DSS and Health to review their income from the State to ensure that our funds will be received. They have assured us that they will be coming in, but the state is behind in disbursements.
- **Other Financing Sources.** This is the transfer from the Water Fund to cover the County's indirect cost associated with the Water Fund.
- **Transfer In.** In order to balance the budget, \$115,569 was budgeted from the fund balance. As of April, we have not had to appropriate any dollars from the fund balance. Our goal is to not use any of these dollars.
- **Charges for Services.** Charges for Services are revenues generated from the rendering of services for a fee (e.g. mapping fees, landfill fees, fees from Social Services and the Health Department, etc.). Charges for services will vary from month to month due to the seasonal activities that take place throughout the year.
- **Miscellaneous Revenues.** Miscellaneous revenue represents returned check collections, bad debt collections and otherwise unclassified revenue.
- **Interest on Investments.** Interest on investments and the County's operating account. As interest rates have fallen, so have the yields on the County's savings. High-yield CDs which are currently averaging 3.4% are down from over 5% a year and a half ago. Money-market accounts are yielding only 2.3% on average. We are researching other ways to increase our yield to include longer investments.

EXPENSES

As of the end of April, the County has expended 79% of its projected budget. With three-fourths of the year behind we are in great shape as far as expenditures go; however, we still have to be very cautious because our revenues are behind where they should be at this point of the budget. The table below gives the expenditure budgets by category. The County, as a whole, is within budgeted expenditures.

- **Volunteer Fire Department (VFD).** This Department is over the original appropriation of \$48,500 by \$22,854 or 146% of their original budget. The reason for the overage is due to the major repairs to the fire trucks and we still have more repair bills that we haven't paid as well as more repairs to be made. Currently, the costs are associated with fire trucks that are older than their useful life. I had a meeting with Mr. Huntley to discuss how we could alleviate all the cost on old trucks. Part of the VFD problems, is they feel that the trucks are going to be taken by the County. I would recommend that we put into place a Memorandum of Understanding (MOU) that we will provide the maintenance of these vehicles for up to 20 years (the useful life of the vehicle) and after that, it becomes their property and upkeep if they wish to keep them any longer. This will reduce the County's cost for costly repairs and maintenance on outdated equipment.

- **Medical Examiner.** The County has seen an increase in the number of deaths this year. The fee for the medical examiner is \$100 per investigation and \$1,000 per autopsy.
- **The following are allocated a flat fee:**
 - Humane Society – paid during the first part of the year.
 - Montgomery EDC – paid during the first part of the year.
 - Council on Aging – paid during the first part of the year.
 - Senior Center – paid during the first part of the year.
 - Crisis Council – paid during the first part of the year.
 - Sandhills Mental Health – paid quarterly
 - Sandhills Alcohol Rehab – paid quarterly
 - Outreach Project – paid during the first part of the year.
 - Historical Society – paid during the third quarter of the year.
- **Montgomery Fellows.** This is a scholarship program that the County sponsors. These are allocated normally during the month of August of each year.
- **Public Schools Timber Rec.** These are dollars the County receives and passes directly to the school. This is a pass through account.
- **Piedmont Triad COG.** This represents payments made for the membership but the dues were increased this year and the budget didn't reflect the increase in the membership fee.
- **Debt Service.** These payments are made at various times throughout the year. The debt service payments were made during the month of April.
- **Contingency Planning.** Currently this account is accounted for the dollars that the departments reverted back as a result of the 15% reduction to their operational budgets. These dollars will not be expended.
- **Work First Employment Training.** This budget is approximately 93% of the budgeted amount.

Total Expenditures	Budget	YTD Actual	% Received
Governing Body	519,675	411,500	79.2%
Administrative	455,352	379,327	83.3%
Tax Administration	522,804	464,642	88.9%
Elections	166,921	132,608	79.4%
Register of Deeds	183,935	147,021	79.9%
Information Technology	72,707	61,440	84.5%
Public Buildings	577,404	516,514	89.5%
Housekeeping	184,215	149,103	80.9%
Sheriff's Office	1,886,150	1,634,243	86.6%
CJPP	88,548	75,080	84.8%
Jail	736,338	545,796	74.1%
Emergency Management Operation	615,312	477,490	77.6%
VFD	69,443	71,084	102.4%
Forestry	89,489	75,934	84.9%
Inseptions	172,592	136,288	79.0%
Planning	79,078	43,127	54.5%
Medical Examiner Fees	11,000	13,000	118.2%
Ambulance Service	1,141,664	950,001	83.2%
Rescue Squad	52,281	27,368	52.3%
Animal Control	104,091	71,562	68.7%
Humane Society	6,000	6,000	100.0%
Airport	28,670	24,913	86.9%
Soild Waste Disposal	807,891	627,415	77.7%
Montgomery EDC	80,000	80,000	100.0%
Co-operative Extension	187,730	134,032	71.4%
Caregiver Program	8,764	8,092	92.3%
Soil & Water	82,793	66,825	80.7%
Health	2,175,253	1,706,750	78.5%
Sandhills Mental Health	62,675	47,006	75.0%
Sandhills Alcohol Rehab	5,000	3,750	75.0%
Social Services	6,889,006	4,912,897	71.3%
Work/First Employment Tr	129,187	119,679	92.6%
Senior Center	24,000	24,000	100.0%
Veterans	50,619	42,194	83.4%
Montgomery Youth Service	28,386	24,303	85.6%
PT COG	5,745	8,060	140.3%
Council on Aging	44,000	44,000	100.0%
Crisis Council	15,000	15,000	100.0%
Randolph Juv Day Rpt Ctr	80,057	52,712	65.8%
Yadkin/Pee Dee Lakes Prj	3,500	0	0.0%
Home & Comm Care Grant	256,988	0	0.0%
M C Schools Current	6,228,055	5,272,230	84.7%
Public Schools Timer Rec.	53,000	94,011	177.4%
Public Schools Capital	505,417	427,845	84.7%
Montgomery Fellows	39,500	36,140	91.5%
M CC current expense app r.	916,550	777,564	84.8%
M CC Capital Outlay	14,521	12,310	84.8%
Library	304,512	234,425	77.0%
Arts Council	12,229	5,428	44.4%
Summer Rec Program	29,509	24,916	84.4%
Rec Outreach Project	44,159	44,068	99.8%
Parks & Recreation	67,217	51,909	77.2%
Community Bldgs	23,225	11,486	49.5%
Historical Society	2,000	2,000	100.0%
Debt Service	2,041,200	2,031,872	99.5%
Transfer to Airport Grant	16,667	0	0.0%
Contingency Planning	576,984	0	0.0%
Transfer to Fund Balance	337,744	0	0.0%
Total Expenditures	29,912,754	23,356,960	78.1%

WATER/SEWER FUND

With 75% of the fiscal year complete, Water/Sewer Fund revenues are 69% of projections and expenditures are 67% of budget as summarized below:

Water/Sewer Fund	Budget	YTD Actual	Percent
Revenues	6,414,067	4,462,487	69.57%
Expenditures	6,414,067	4,309,502	67.19%

REVENUES

Overall, revenues are performing behind where they should be. Both water and sewer revenues are below the projected percent of budget. The revenue is below the budget by approximately 10%. According to historical records, during the third quarter of each year revenue drops below the projected budget. This is because it falls during the winter months and people do not use water as much. Based on past trends, you will see an increase in the revenue over the next few months as spring and summer are just around the corner.

EXPENSES

Currently, expenses are 67% of projected budget. This is well within the expected projected amount expended of 83%.

FUND BALANCE

The chart below is going to reflect a decrease of approximately .14% of undesignated unreserved fund balance than the previous month but only an approximate increase of .44% greater than the end of the fiscal year 2007/2008. This is a positive indication that we are increasing our fund balance, but we have to be very cautious because if our revenues do not pick up, we will be less than last year. The current goal is to limit and decrease spending so that we can start building our fund balance. During the upcoming budget process, I will be discussing ways to increase the fund balance to an acceptable level. Granted, this will take several years to build it up and if we continue to budget conservatively on revenues and limit our expenditures and see where we can consolidate and reduce expenditures, we will be on the right path.

GENERAL FUND BALANCE

The following chart is an **estimate** of what the County's cash on hand would be at the end of this fiscal year, June 30, 2009:

Beginning Fund Balance 07/01/2008		3,475,676
Revenues received as of 04/31/2009		22,257,729
Expenditures paid as of 04/31/2009		-23,356,961
Estimated Revenue to be received		6,585,458
Estimated Expenditures to be paid		-5,978,810
Reserved/Designated dollars		1,355,324
Estimated ending fund balance 06/30/09		4,338,416
Allocation of Fund Balance		
Estimated Ending Fund Balance 04/31/2009		4,338,416
	Reserved/Designated Fund Balance	1,355,324
	Reserved by State Statute	1,146,503
	Undesignated	1,836,589
	Total Fund Balance to Total GF Expenditures	14.51%
	Undesignated Fund Balance to Total GF Expenditures	6.14%
	LGC requirement	8.00%

The above balance is a reflection of estimated revenue and expenses to be received and expended from May 1, 2009 to June 30, 2009 as well as debt payments that will become due. These are estimated numbers and can be higher or lower, depending on the actual revenues and expenditures.

WATER FUND BALANCE

The following chart is an estimate of what the Water Fund's cash on hand would be at the end of this fiscal year, June 30, 2009:

Investment Account Balance as of 04/31/09		1,914,543.87
Checking Account Balance of 04/31/09		397,547.30
Outstanding Checks as of 04/31/09		-165,910.39
Debt Payments Due but not yet paid		-1,212,720.33
Requested dollars for SCAD and Filters		-591,200.00
Estimated Revenue 05/01/09 to 06/30/2009		1,951,579.05
Estimated Expenses to be paid 05/01/09 to 06/30/2009		<u>-829,195.20</u>
Estimated Fund Balance at 06/30/2009		1,464,644.30

The above balance is a reflection of estimated revenue and expenses to be received and expended from April 1, 2009 to June 30, 2009 as well as debt payments that will become due. These are estimated numbers and can be higher or lower, depending on the actual revenues and expenditures.

SUMMARY

SUMMARY of Finance Activities

- The AMR Financing was completed by the end of April. The Water Department has started installing the meters and we have started entering information into the system. We have already started receiving some complaints from customers because their water bill has increased. This can be expected because we are now getting an accurate reading of what the customer actually uses rather than utilizing outdated meters.
- I am working with the LGC for funding of approximately \$1.8 million dollar water line improvement. This application has been at the LGC for approximately two years now and based on the information that I have supplied to them, we will be on the LGC meeting for July. Once this is approved, the Water Department will lay lines that will add approximately 500 to 600 additional customers to the Water Fund.
- Continue to develop financial policies to be adopted by the Board.
- Continue to develop financial procedures. These procedures are in draft format and are currently being reviewed by staff. The procedures do not have to be adopted by the Board but will be distributed to the Departments and help strength the internal controls of the County.
- We are working with QS1 to install and go live with a new financial software system that is more user friendly and allows Departments to have access to real time numbers.
- I am working with the department heads to bring to the Board a balanced budget.
- The County just got reaffirmed for its A3 bond rating on its GO Bond. This is important, especially since a lot of entities are getting downgrades. Although our fund balance hurt us in not getting a possible upgrade, Moody's analyst felt that we were on the right path in developing and soon to be adopting financial policies, as well as taking the necessary steps to improve our fund balance.

For more information. This summary is based on detailed information produced by the County's finance department. If you would like additional information, or have any questions about the report, please call the Finance Department at 576-4221.

Chairman Morris asked what we are due for. Mrs. Rolan said March and April in the amount of \$500,000.

Commissioner Corbett said I know the State is behind on refunds and payments have you spoken with the State. I haven't, but I plan on contacting them.

Commissioner Edgar Morris asked about the Wadeville VFD. He wanted to know if it was bid out. Mr. Metzler said it was an estimate of material only, I think the crew from Southern Correction will be doing the labor. Mr. Bill Hamilton confirmed that.

Commissioner Corbett said he has a list of roofing companies if it is needed.

Chairman Morris thanked Bill for all of his hard work.

Planning Board Report

Mr. Scott Carpenter, Planning Director presented the following report:

Chairman Morris recessed the regular session and called to order a public hearing for the James and Sandra Clark Set Back Variance Request.

Setback Variance Request – James and Sandra Clark

James and Sandra Clark are requesting a 7 ½ ft. front and 4 ½ ft. side setback variance in order to enclose an existing deck into a room addition at Twin Harbor. The Campground Ordinance requires a 10 ft. setback on the front yard and a 10 ft setback on the side yard, because it is a corner lot. It also requires "all" structures in violation of setback regulations to be brought into compliance prior to issuance of a building permit. The Planning Board recommended denial of this request. The six requirements were not met.

Chairman Morris adjourned the public hearing and reconvened the regular session and called to order a public hearing for the James and Sandra Clark setback variance request.

Mr. Clark was present of 102 Daniel Boone Trail. He said we are not expanding; we just want to put a cover over the deck. I can't afford the estimate of \$12,000 that it will cost to move the camper.

A motion was made by Commissioner Matheny. The motion was supported by a second from Chairman Morris. The motion carried unanimously to deny the Setback Variance Request of James and Sandra Clark.

Zoning Map Changes

Mr. Carpenter provided the following information to the Board of Commissioners:

Background: Montgomery County first adopted zoning regulations in 1985 (24 years ago). At that time, only partial zoning was implemented throughout the county. In 2002, the county decided to amend the official zoning map to include all land within the county. Although, countywide zoning was enacted and adopted in 2002, the newly created "Official Montgomery County Zoning Map" did not accurately reflect all the rezoning requests from the previous 24 years. Approximately, four hundred rezoning requests had been submitted during that time and many of them did not appear

to be included on the revised and adopted 2002 zoning map and many that were included, had the incorrect boundaries depicted. Another problem with the newly approved map was that it was not based upon natural features on the ground or by parcel lines found in the Register of Deeds Office. Instead, the newly created zoning districts paralleled major roads in the county and arbitrarily extended out some 1,000 feet from the road centerlines. This created “split zoning” districts for hundreds of land parcels along roads such as 24, 27, 109, 134, 220, 73, and 731. Residential, commercial, and industrial zoning districts were created following a process known as “strip zoning.” As a result of the many discrepancies found on the current zoning map, the Planning Department, in consultation with the 911 Addressing Coordinator, began a four month long process to update the official zoning map.

Process: The newly updated version of the “Official Montgomery County Zoning Map” was created by utilizing several sources of information, researching historical documents, and extensive consultations with Montgomery County staff members and other planning professionals throughout North Carolina. First, the County Planning Director asked the County Tax Department to create a series of nine maps showing all the tax parcel lines within the county. These maps would be utilized to show all rezoning request that were in the Planning Department’s file cabinet (approx. 400). Next, the 911 Coordinator was asked if he had a copy of the 2002 zoning map on file. He did and the map was divided into nine sections just like the tax parcel maps. The colors used to identify zoning districts were then changed to reflect the accepted color scheme adopted by the American Planning Association. Parcel lines were then added from the Tax Office. Next, the maps were reviewed and adjustments were made to zoning district boundaries in order for them to follow parcel boundaries. Boundaries that had no parcel lines close to the 1,000 ft. line segments were left at 1,000 ft. in order to ensure that the “strip zoning” created in 2002 was not compromised. Next, over 400 rezoning cases were reviewed to ensure they were correctly transferred to the 2002 zoning map and that the boundaries were correct. If not, they were added. Many showed incorrect boundary lines as well as incorrect zoning district categories. These too were corrected.

Final Product: The Updated “Official Montgomery County Zoning Map” more accurately displays all rezoning request since zoning was first established in Montgomery County in 1985. The new map accurately reflects the correct color scheme as accepted by the American Planning Association for residential, commercial, and industrial categories. The new map more correctly shows zoning boundaries and follows parcel boundaries wherever practical. The new map will be officially adopted and kept on file with County Clerk. The new map will be provided to Anderson & Associated in order to have it available to the general public via county website. The new map will replace and supersede any and all other county zoning maps created prior to the date of its adoption.

Staff Recommendation: Montgomery County Planning Department recommends that the BOC approve the new “Official Montgomery County Zoning Map” as submitted, and that an official copy be kept by the Clerk to the Board as well as in the Montgomery County Planning Department.

Planning Board Recommendation: The Montgomery County Planning Board met at its regularly scheduled meeting on April 27, 2009 and voted unanimously to recommend that the BOC approve the newly updated “Official Montgomery County Zoning Map.”

In a motion made by Commissioner Corbett, seconded by Commissioner Copeland, and so the motion carried unanimously to approve the Zoning Map Changes.

Board and Committees

Request to Appoint Janine Cole to serve on the Montgomery County Joint Community Advisory Committee

A motion was made by Commissioner Corbett. The motion was supported by a second from Commissioner Edgar Morris. The motion carried unanimously to appoint Ms. Janine Cole to serve on the Montgomery County Joint Community Advisory Committee.

Request to Appoint Virgil Higgins to serve on the Tourism Development Authority

A motion was made by Commissioner Edgar Morris. The motion was supported by a second from Commissioner Corbett. The motion carried unanimously to appoint Mr. Virgil Higgins to serve on the Montgomery County Tourism Development Authority.

County Manager’s Report

Mr. Lance L. Metzler, County Manager presented the following report:

Jail Project Update

- We are down to the punch list for the jail. We are going through the jail to make sure everything is completed.
- Bordeaux Construction will be off the site in two weeks.
- Staff is being trained and we will have open house in June.

Mr. Metzler thanked Commissioner Edgar Morris for attending the meetings and staying on top of the project.

(We had a request to install a smoke evacuation system in the holding cell. It was designed to be a holding cell and not a sleeping area and both the Sheriff and I have confirmed that this area is NOT intended to be a sleeping area. The cost is \$80,000 and a delay of 6 weeks, our interpretation is that this is not a sleeping area.)

EDC Monthly Report

**Montgomery Economic Development Corporation
Report to Commissioners, May 2009
Judy W. Stevens, Executive Director**

Economic Status

Current Unemployment Rates as of March 31

State	10.9%
Montgomery County	14.3%

Fibrowatt

Power purchase negotiations continue with Duke Energy and Progress Energy. We are assured that talks are progressing smoothly. Groups that oppose Fibrowatt in Surry and Sampson Counties and a local citizen, Harvey Mack, organized a rally against Fibrowatt at the Montgomery County Public Library on May 12th. Fibrowatt officials attended but were not allowed to rebut any of their claims.

At our request, Conrad Carter, President of Alpha Environmental in Albemarle is completing an independent analysis of Fibrowatt's emissions based on information gathered from Fibrowatt and the Minnesota Division of Pollution Control. He will issue a written report.

Jim Matheny, Jimmy Blake, Brooks Lockhart, Marla Coulthard and I traveled to Raleigh on Monday to meet with the Department of Commerce Finance Center and the NC Rural Center to discuss funding options for the water and sewer infrastructure to serve the Fibrowatt site.

The NC Agricultural Energy Partnership group has been formed to support Fibrowatt but also to recruit more renewable energy projects to our counties. Executive Committee members are from Montgomery, Surry and Sampson Counties. Lance Metzler, Jimmy Blake, Brooks Lockhart and I are active members. Our partners include the NC Department of Agriculture, NC Poultry Federation, NC Department of Commerce, NC Forestry Association, NC Bio Fuels Center, State Energy Office and the poultry companies.

Industrial Mega Site

Land Design presented the Conceptual Master Plan for the Montgomery/Moore Counties proposed Industrial Mega Site to a joint meeting of the EDC and Committee of 100 boards today. The plan includes a site feasibility and overall analysis of the property. Our next step will be to seek funding from the Golden Leaf Foundation and/or other sources to have the property qualified as a NC Certified Industrial Site.

Strategic Plan for Economic Development

Officials with the Sanford Holshouser Business Development Group were here today for the Industrial Mega Site presentation and to conduct an initial meeting with a steering committee to begin the Strategic Planning process. The four month process will evaluate our structure, budget, staffing, program of work and activities. They will tour and evaluate sites, buildings, business parks and tourism sites. The final report will have specific action items, prioritized with due dates and assigned to the entities that are responsible for accomplishing the action. The plan should enable us to guide our future growth rather than react to it.

BRAC Economic Developers Meeting

The Economic Developers from the 11 counties met in Fayetteville on May 6th. Discussion items included: Listing our available sites and buildings on the BRAC Website, attendance at the Relocation Fair in Atlanta in September, the Defense Trade Show in Fayetteville in August, and the AUSA Military Show in Washington DC in October. Greenfield, an Economic & Community Development Company is under contract with BRAC to recruit the companies that will be relocating from Fort McPherson. Mary Lilly, VP of Greenfield recently spent some time with me to familiarize herself with the county and our economic development product. We visited Carolina Growler in Star and Alandale Knitting in Troy. We also toured our available industrial buildings and sites.

TOURISM DEVELOPMENT

Tourism Marketing – A Rural Perspective

This annual tourism marketing event is in its second year. Partners include Montgomery TDA, Montgomery EDC, MCC, Stanly County Convention and Visitors Bureau and Stanly Community College. The event was held May 5 at Town Creek Indian Mound, 40 tourism destination managers and entrepreneurs heard a presentation by Lynn Minges, N.C. Assistant Secretary of Commerce for Tourism, Marketing and Global Branding. Lynn talked about ways rural communities can link into statewide tourism marketing efforts.

Uwharrie Conference Center

The Conference Center Study is progressing with six properties identified. Consultant Memorable Solutions is working on the market analysis, site analysis, recommendations for features and amenities, a 10-year pro forma, space plan and architectural renderings.

Uwharrie River Paddle Trail

NC DENR has approved the project to move into the design phase. If funded, we will build a safe area for canoes and kayaks to access the Uwharrie River at the NC109 Bridge.

Weekend Pass to the Uwharries

The TDA is launching a marketing campaign aimed at Fort Bragg called “Weekend Pass to the Uwharries.” It will include packages featuring outdoor recreation, lodging, attractions and restaurants.

Uwharrie Mountain Festival

Plans for the 4th Annual Uwharrie Mountain Festival are well underway. Chris Cagle of Eldorado Outpost is this year’s chairman. The committee is exploring some new ideas for this year’s event.

DSS Site Selection and Building Committee

- We are gearing down from the jail construction and one of the strategic goals that you all identified was to re-establish the DSS Site Selection and Building Committee.
- The membership in the past was two Commissioners, two Social Service Board Members, Jim and I.
- If you all will appoint two then I will ask DSS to appoint two and schedule a meeting.

A motion was made by Commissioner Corbett, seconded by Commissioner Matheny and so the motion carried unanimously to appoint Commissioner Edgar Morris and Commissioner Anthony Copeland to serve on the DSS Site Selection and Building Committee.

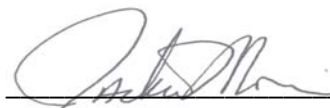
Chairman Morris said Chairperson of the DSS Board Becky Stegall is present. It is the wishes to select sites to accommodate future needs of the County.

Cooperative Extension Director

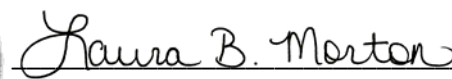
- As you are all aware the state continues to have a hiring freeze at the state level indefinitely.
- We actually interviewed for the position of Cooperative Extension Director and had a candidate to recommend to you all.
- The state says that they will not be filling this position.
- Just wanted you all to know.

Adjournment

There being no further business Chairperson Jackie Morris adjourned the meeting.


Jackie Morris, Chairman




Laura B. Morton, Clerk to the Board