

**MINUTES**  
**PTRC EXECUTIVE COMMITTEE MEETING**  
**May 2, 2012**

Present: Vice Chairman Darrell Frye, Randolph County, PTRC Chair  
Council Person Molly Leight, City of Winston-Salem, PTRC Vice Chair  
Chair Nate Hall, Caswell County, PTRC Treasurer  
Councilman Dillard Burnette, City of King  
Commissioner Linda Massey, Alamance County  
Commissioner Paul Johnson, Surry County  
Mayor Dan Pugh, Town of Lewisville  
Mayor Pro Tem Steve Yokeley, City of Mount Airy  
Commissioner Earnest Lankford, Stokes County  
Commissioner Kevin Austin, Yadkin County  
Councilman Alvin Foster, Town of Yanceyville  
Commissioner Ken White, Davie County  
Councilman Walter Marshall, Forsyth County  
Mayor Pro Tem Patty Philipps, City of Mebane  
Councilman Jimmy Blake, Town of Biscoe  
Commissioner Wayne Moore, Town of Jonesville  
Councilman Darryl Carter, City of Eden  
Mayor Keith Volz, Town of Jamestown  
Commissioner Will Marklin, Town of Mocksville  
Mayor Pro Tem Yvonne Johnson, City of Greensboro

Absent: Mayor Ronnie Wall, City of Burlington  
Chair James Kallam, Rockingham County  
Mayor Bert Lance Stone, City of Archdale  
Mayor Pro Tem Latimer Alexander, City of High Point  
Chair Jackie Morris, Montgomery County  
Commissioner Don Truell, Davidson County  
Mayor Scotty Morris, Town of Denton

Chair Frye welcomed the PTRC Executive Committee and requested a moment of silence. He introduced Mayor Pro Tem Yvonne Johnson, as the new delegates representing the City of Greensboro.

**1. Approval of April 4, 2012, PTRC Executive Committee Minutes**

Chair Frye asked if there were any revisions to be made in the April 4, 2012, PTRC Executive Committee minutes.

There being none, motion was made by Ms. Leight, seconded Mr. Moore, and carried unanimously to approve the April 4, 2012, PTRC Executive Committee minutes.

**2. Request for authorization to amend the contract with the Division of Aging and Adult Services to accept \$133,741 in additional funding for the Community Resource Connection Project for all 12 counties for the period May 1, 2012 through June 30, 2012, by Kimberly Dawkins Berry, PTRC Area Agency on Aging Director**

Ms. Berry stated that funding has been available for the past two years to help people of all ages, disabilities, and income levels more easily access long-term services and supports through the Administration on Aging and the Centers for Medicare and Medicaid for Aging Disability Resource Centers. In North Carolina this initiative is called "Community Resource Connection" (CRC).

The programs which are associated with the CRC include:

- 1. Information and Awareness**
- 2. Assistance**-options counseling-crisis intervention-benefits counseling
- 3. Access**-eligibility screening-uniform access to programs
- 4. Transitions**-Person Centered Hospital Discharge-Money Follows the person

Currently we are working with four counties to bring them under the auspices of the Community Resource Connection; Alamance, Caswell, Davie and Davidson. The PTRC AAA is focused on broad planning and advocacy activities for older people within our planning and service area. We fund providers to deliver a wide range of community based services and directly provide information and referral as well as monitoring of 'residents rights' through our Long Term Care Ombudsman program. This initiative more closely aligns our work with those persons with disabilities. This is a major component of the CRC program.

DAAS has awarded \$133,741 in funding for the period May 1, 2012 to December 31, 2012. We are currently in the planning phase of this process to include our 4 counties who are not involved with CRC and to develop a cohesive plan for database development and client tracking. We anticipate renewing the Notice of Grant Award with our July 1, 2012 contract to carry over the funds which have not been spent until the December deadline. These funds will be reflected in our PTRC final budget revision in June.

Ms. Berry requested authorization to amend the contract with the Division of Aging and Adult Services to accept \$133,741 in additional funding and amend PTRC's budget for the Community Resource Connection Project for all 12 counties for the period May 1, 2012 through June 30, 2012.

Motion was made by Ms. Massey, seconded by Mr. Marshall, and carried unanimously, authorize PTRC staff to amend the contract with the Division of Aging and Adult Services to accept \$133,741 in additional funding and amend PTRC's budget for the Community Resource Connection Project for all 12 counties for the period May 1, 2012 through June 30, 2012.

**3. Report on the audit selection and request for authorization to enter into contract for audit services,** by Robin Shelton, PTRC Finance Director

Ms. Robin Shelton stated that the PTRC finance staff solicited bids for an auditor via a request for proposal. She stated that six firms were contacted and all six responded with a proposal. Of those six, three were brought in for interviews, and they all demonstrated the capacity to successfully complete the PTRC audit. The firms were as follows: Cannon & Co, McGladrey, and Martin-Starnes.

After considerable discussion, the staff selected McGladrey primarily for their national affiliation and felt that should the need arise, they would have more resources at their disposal.

Motion was made by Mr. Austin, seconded by Ms. Stone, and carried unanimously to award a three-year contract to McGladrey with the overall cost being:

FY 2012	\$29,900
FY 2013	\$30,300
FY 2014	\$31,500

**4. Discussion of the PTRC 2012-13 Budget,** by Matthew Dolge, PTRC Executive Director and Matt Reece, Administration & Member Services Director

**Blue Cross Blue Shield Insurance Quote for FY 2012-13**

Mr. Reece stated that at the first meeting of the PTRC, the Board adopted a plan to provide retirees with access to health care coverage. The Board also provided that employees with 30 or more years of service receive a contribution of \$200 to lower the cost of retiree only coverage to approximately the same as the cost of employee coverage.

Coverage for -	FY 2011-2012 Cost	FY 2012-2013
Employee only	\$406.54	\$361.29
Eligible Retiree only	\$662.55	\$715.93
Retiree with 30+ years	\$662.55 - \$200.00 = \$462.44	\$715.93 - \$200.00 = \$515.93

As we look into next year and beyond we can foresee the retirements of employees who have spent a considerable part, if not the major part, of their careers with us but will not have 30 years of service with the PTRC and its predecessor agencies. This begs a question. Should the threshold for receiving a contribution for health care be lowered from 30 years minimum?

Establishing thresholds for the provision of benefits must be made with consideration for sustainability and feasibility. The intent is obviously to recognize long-term employees and provide a bridge of health care coverage until Medicare and supplemental insurance become the primary coverage. The cost of our coverage is prohibitive in comparison to Medicare

and supplemental insurance as primary coverage. What type of plan can we establish that will recognize long-term employees but not place financial hardship on the PTRC?

The plan must set a high threshold for eligibility:

- 1) Employees must have a service retirement with the Local Governmental Employees' Retirement System (LGERS) to participate in the retiree portion of PTRC's health plan.
- 2) To receive a contribution to the lower cost of the health insurance premiums paid then the retiree must have 20 or more years of service with NWP/PT-COGs and/or PTRC.
- 3) Their service retirement cannot be reduced by taking early retirement options by more than 15%. (See attached charts from LGERS.)
- 4) Employees who meet these qualifications can purchase PTRC retiree coverage and receive a monthly contribution along the following scale:

Previous years of service NW/PT-COGs and/or PTRC		Amount of service retirement reduction allowed due to early retirement		Monthly contribution to PTRC's retiree group health plan
30	+	Not to exceed 15%	=	\$200.00
29	+		=	\$190.00
28	+		=	\$180.00
27	+		=	\$170.00
26	+		=	\$160.00
25	+		=	\$150.00
24	+		=	\$140.00
23	+		=	\$130.00
22	+		=	\$120.00
21	+		=	\$110.00
20	+		=	\$100.00
0-19		No contribution is made. Employee may participate.		

If this plan is adopted five employees would be eligible for some level of contribution.

For your information, retiree health insurance rates are as follows:

FY	Retiree Only	Retiree + Spouse	Retiree + Children	Retiree + Family
2012-2013	\$715.93	\$1,434.49	\$1,007.16	\$1,849.16
2011-2012	\$662.55	\$1,310.64	\$923.33	\$1,698.17

The current provider is Blue Cross Blue Shield.

Mr. Reece stated that PTRC staff recommends adoption of this change, as described above, to provide retiree health benefits and a contribution for employees who have a service retirement with the LGERS, have 20 or more years of service (with NWP/PT-COGs and/or PTRC) and a service retirement that is not reduced by more than 15%.

Practical examples:

Employee is 60 years old and has 25.6 years of service with PTRC and 29 years credit in the retirement system. Without the recommended change the employee receives no contribution. With the recommended change the employee receives \$150.

Employee is 55 years old and has 23.5 years with PTRC and 30 years credit in the retirement system. Without the recommended change the employee receives no contribution. With the recommended change the employee receives \$130.

Employee is 59.5 years old and has 22.5 years with the PTRC and 25.5 years credit in the retirement system. The employee is not eligible for contribution.

### **Proposed Budget – Fiscal year 2012-2013**

Mr. Dolge said it has been almost a year since the Northwest Piedmont Council of Governments and the Piedmont Triad Council of Governments were combined to form the Piedmont Triad Regional Council. The merger was undertaken to provide programmatic changes and opportunities that were not available to our separate units due to geography. Cost reduction was not a major reason driving the discussion during the merger process but has been a priority for staff. Economies of scale have begun to reveal themselves. The first year of operations for the Piedmont Triad Regional Council has provided a clearer picture of the cost structure necessary to maintain our efforts and provide exemplary services to our member governments and their citizens. It is within this framework that I offer the attached budget proposal for our second full year of operations for your consideration.

#### **Revenues**

Revenues have been strong in the first year of operations and many of the benefits of merger are already being realized. The diligent work of your staff has brought forth new opportunities for the planning, aging and workforce programs. Several new initiatives are underway which should bear fruit in the coming fiscal year. Cooperation between housing, workforce, criminal justice, aging and planning lead to at least half a dozen new projects, and there are more to come. Projected revenues to start the fiscal year are up slightly.

#### **Dues**

Dues paid by member governments provide necessary match for aging programs and planning initiatives, as well as general operation and support for the Board of Delegates. A dues rate of \$0.23 per capita was put into place to keep the PTRC revenue neutral for fiscal 2011 – 2012. Upon review of our current situation I have included a reduction in the dues rate to \$0.22 per capita. Under this rate, the members of the former PTCOG return to the rate which was in place prior to the merger. A chart outlining projected revenues by source and program is attached.

## **Expenditures**

Many transitional costs for combining staff, services and locations have been absorbed in the current budget year. Changes to benefits and staffing will impact long-term expenditures, and office changes can involve one time operating cost or cost reductions that will be manifest in future budgets. The management staff's hope is that through the streamlining of processes and greater efficiencies, overhead costs can be contained and then reduced. Three major areas of spending impact our ability to manipulate our bottom line. These are personnel costs, fringe benefits and facilities costs.

### **Personnel Costs and Fringe Benefits**

#### **Health Insurance:**

The board's decision to move all employees into the Healthcare Reserve Account system paid immediate dividends in two ways. Premiums for former PTCOG employees were lowered and coverage levels were increased. The Board also took the step of offering retirees coverage for the first time in the history of either region. The rates we received were based on projected usage gleaned from the previous experiences of the separate units prior to July 1, 2011. We knew the 2012 – 2013 rates could change dramatically based on the actual usage data produced by our employees and market forces. It is a pleasure to inform the Board that based on our actual usage and negotiations with our provider, Blue Cross and Blue Shield of North Carolina, our employee rate will decrease by 11% for the coming fiscal year. Decreases are also in place for all other levels of coverage in our employee plan.

The chart attached below summarizes our employee health plan costs. The PTRC currently pays 100% of the cost to cover employees. Employees pay the cost of covering dependents. It is my recommendation that we continue this arrangement unchanged for the coming fiscal year.

<b>Coverage Level</b>	<b>Current Employee Monthly Costs (Through 6/30/12)</b>	<b>Employee Monthly Costs as of 7/1/2012</b>
Employee Only	\$406.54	\$361.29
Employee + Spouse	\$547.35	\$486.26
Employee +Child(ren)	\$386.12	\$343.20
Family	\$930.27	\$826.60

The current fiscal year also marked the implementation of a retiree health plan. Under the plan approved by the Board effective July 1, 2011, retirees with 30 years of service to the region are eligible to receive a \$200 per month reduction in the cost of their health insurance in a separate retiree plan. The retiree plan will see a moderate rate increase of 8% for the coming year. The increase does not impact the cost to the PTRC. I am, however, recommending an extension of the plan for the future. This extension will provide a cost reduction to retirees with between 20 and 30 years of service to the region who meet specific standards under our retirement system.

### **Other Benefits:**

No other major changes to benefits are projected in this year's budget. Some minor adjustments in carriers or services may be proposed, but none are projected to impact the budget in a material way. Based on our total benefit offering our fringe benefit rate is being reduced from 30.5% to 29%.

### **Personnel:**

Personnel costs also are slightly lower than projected. This can be attributed to conservative projections and staff turnover during the year. I am proposing several changes for the coming year:

The proposed budget represents a 6% increase in personnel costs. This includes the following items:

- The second year of the implementation of the pay and classification plan
- An assistant director's position is currently unfilled and is included in the budget
- Reorganization of the aging services function includes two assistant directors and a program manager in the ombudsman program. The succession plan is also finalized
- Reorganization for a second assistant director in the workforce program and the completion of succession planning
- Interim costs in the housing program
- A one-time merit payment not to exceed 3% and not as an increase to salary
- Other pay increases as appropriate for employees not otherwise impacted by changes during the previous six months
- All other staff changes to meet programming needs

The increase in personnel costs are contained in the proposed structure with no increase in dues or fees within our programs billed to members.

### **Facilities and Overhead**

The Piedmont Triad Regional Council continues to move forward with a plan to consolidate our two main offices into one location. At the Board's direction, costs projections and site plans are being formulated for a stand-alone building in the Kernersville area. This budget projects our costs as if we are maintaining leased space for the coming year. Our initial cost projections for new space will allow the PTRC to combine our offices within the budget framework provided to you here.

Indirect costs are the general business overhead expenses for the Regional Council. Consolidation of office space and the requisite support structures to run an office will generate savings in subsequent years. Many costs of consolidation have already been absorbed this year. Other costs, like moving, furnishing and wiring the new offices are included in the indirect rate for this year. Many of these are one-time expenses. Other costs will decrease as leases and maintenance for office equipment lapses and is not renewed. This budget increases the indirect rate from 40% to 40.5%.

### **Conclusion**

The first year of operations for the Piedmont Triad Regional Council has been solid from both a revenue and budgetary standpoint. Based on this experience the major changes to this year's budget include the following:

- A reduction in dues of 4%
- A reduction in the fringe benefit rate of 5%
- An increase in personnel costs of 6%
- An increase in indirect cost of 1%

I am proud of the work your staff has done to make the merger of two accomplished organizations a success. Last year's budget projected our needs based on the best available data. This budget reflects the concrete ramifications of the merger on our operation. We continue to provide a full range of high quality services in an efficient manner. The staff of the Piedmont Triad Regional Council has come to work each day, through changes, turmoil, and uncertainty, and gotten the job done. I want to personally thank them for their efforts.

The work of the finance staff has been herculean this year. This proposed budget is largely due to the combined efforts of that staff. It is a gift to have the services of such a highly skilled group of professionals at my disposal, and I thank them. Finally, I want to thank each Board member for the faith they put in me and this staff to serve the citizens of this region. A great leap of faith was taken and codified on July 1, 2011. We understand the gravity of the decisions you have to make and appreciate the leadership you provide.

This budget is hereby conveyed for your consideration, this the 2nd day of May 2012.

Motion was made by Mr. White, seconded by Mr. Johnson, and carried unanimously to go into Executive Session to discuss personnel.

### **Executive Session**

### **Executive Session Ended**



Motion was made by Mr. Pugh, seconded by Mr. Austin, to reconvene the meeting.

Motion was made by Mr. Marshall, seconded by Mr. Kallam, and carried to recommend that the PTRC Board of Delegates approve a 10% salary increase for Matthew Dolge, PTRC Executive Director. There were 2 nay votes.

Motion was made by Ms. Johnson, seconded by Ms. Leight, and carried unanimously to recommend that the PTRC Board of Delegates approve the PTRC FY 2012-2013 Budget as presented at their June 20, 2012 PTRC Board of Delegates meeting.

**PIEDMONT TRIAD REGIONAL COUNCIL  
TOTAL BUDGET (FUNDS 001, 002 & 003)  
7/1/12 to 6/30/13**

**EXPENDITURES**

<b>Salaries</b>	3,952,730
<b>Part Time Salaries - No Benefits</b>	17,107
<b>Participant Salaries</b>	366,845
<b>Fringe Benefits (29%)</b>	1,146,289
<b>Participant Fringe Benefits (7.65%)</b>	28,064
<b>Insurance &amp; Bonds</b>	30,000
<b>Professional/Legal/Accounting Services</b>	386,729
<b>Consultants (sub &amp; youth contractors)</b>	11,217,314
<b>Advertising</b>	42,168
<b>Printing &amp; Binding</b>	16,165
<b>Computer Services &amp; Licensing</b>	39,481
<b>Building Rent</b>	426,238
<b>Equipment Rent</b>	4,490
<b>Telephone &amp; Internet</b>	39,894
<b>Postage</b>	4,105
<b>Publications &amp; Newspapers</b>	2,400
<b>Dues &amp; Memberships</b>	5,700
<b>Supplies</b>	26,646
<b>Special Materials</b>	278,714
<b>Capital Equipment</b>	117,000
<b>Repair &amp; Maintenance</b>	3,000
<b>Travel/Conferences/Training (including participants)</b>	1,113,355
<b>Fringe Benefits Part-Time</b>	1,308
<b>Participant Costs</b>	2,104,594
<b>Indirect Cost (40.5%)</b>	1,185,308
<b>Volunteer Travel (RSVP)</b>	42,312
<b>Housing Asst Payments</b>	3,641,006

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**TOTAL EXPENDITURES:** 26,238,962

**REVENUES**

<b>Federal</b>	18,791,309
<b>State</b>	5,211,369
<b>Appropriated Fund Balance</b>	109,089
<b>Dues and Interest</b>	654,877
<b>Local Project Fees and Local Grants</b>	1,472,318

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**TOTAL REVENUES:** 26,238,962

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**BUDGET ORDINANCE 2012-2013**  
**June 20, 2012**

Be it ordained by the Piedmont Triad Regional Council (PTRC):

Section 1. The following amounts are hereby appropriated in the General Fund for the operation of PTRC and its activities for the fiscal year beginning July 1, 2012 and ending June 30, 2013 in accordance with the Chart of Accounts heretofore established for PTRC:

General / Council	\$	180,055
<b>TOTAL GENERAL FUND APPROPRIATION</b>	<b>\$</b>	<b>180,055</b>

Section 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

Fund Balance	\$	50,000
COG Dues	\$	125,055
Interest	\$	5,000
<b>TOTAL GENERAL FUND ESTIMATED REVENUES</b>	<b>\$</b>	<b>180,055</b>

Section 3. The following amounts are hereby appropriated in the Special Revenue Fund – Grant Project Fund for the operation of PTRC and its activities for the fiscal year beginning July 1, 2012 and ending June 30, 2013 in accordance with the Chart of Accounts heretofore established for PTRC:

Appalachian Regional Commission 302(a)	\$	165,788
NC Dept of Adm./State Eco. Dev. Funds	\$	21,449
Aging & Home & Community Care Block Grant	\$	12,192,933
Section 8 Housing Assistance Programs	\$	4,190,054
NC Dept of Commerce/ ARC Housing TA, Water Related TA , Tech TA	\$	27,500
HOME & SFR	\$	185,000
NC Dept of Transportation/ Rural Transportation Planning	\$	401,262
Corporation for National Service (RSVP)	\$	89,433
Crime Control / Pre-Trial Projects / Re-entry Projects	\$	209,016
NC Dept of Environment and Natural Resources / Water Projects	\$	148,439
HUD-PART Sustainability	\$	411,128
Workforce Investment Act / Service Corp/Economic Stimulus	\$	6,541,340
<b>TOTAL GRANT PROJECT APPROPRIATION</b>	<b>\$</b>	<b>24,583,342</b>

Section 4. It is estimated that the following revenues will be available in the Special Projects Fund -Grant Project Fund for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

Federal Grants	\$	18,791,309
State Grants	\$	5,211,369
Appropriated Fund Balance	\$	59,089
Dues	\$	400,836
Interest	\$	4,000
Local Projects & Fees	\$	116,739
<b>TOTAL GRANT PROJECT ESTIMATED REVENUES</b>	<b>\$</b>	<b>24,583,342</b>

Section 5. The following amounts are hereby appropriated in the Special Revenue Fund- Local Projects Fund for the operation of PTRC and its activities for the fiscal year beginning July 1, 2012 and ending June 30, 2012 in accordance with the Chart of Accounts heretofore established for PTRC:

Northwest Piedmont Development Corp	\$	135,000
Upper Cape Fear	\$	22,600
Misc. Criminal Justice Programs	\$	589,784
Aging Local Projects	\$	123,700
GIS / Water Local Projects	\$	105,7
WFD Local Projects	\$	198,350
Local Technical Assistance Projects - Admin	\$	58,050
Local Technical Assistance Projects - Planning	\$	134,131
Housing Local Projects	\$	8,000
Misc. Local Projects	\$	100,240
<b>TOTAL LOCAL PROJECTS APPROPRIATION</b>	<b>\$</b>	<b>1,475,565</b>

Section 6. It is estimated that the following revenues will be available in the Special Revenue Fund -Local Projects Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

APPROPRIATED FUND BALANCE	\$	-
COG DUES and INTEREST	\$	250,041
LOCAL PROJECT FUND FEES	\$	1,225,524
<b>TOTAL LOCAL PROJECT ESTIMATED REVENUES</b>	<b>\$</b>	<b>1,475,565</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$</b>	<b>26,238,962</b>

Section 7: The Executive Director is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line item expenditures within a grant without limitation and without a report being required.

**5. Office Space Bids, by Matthew Dolge**

Mr. Dolge stated that the bids for the new office space were due on Thursday, May 3, 2012. Darrell Frye, PTRC Chair, stated that Facility Committee has been invited to attend a facilities meeting on **Thursday, May 10, 2012, 11:30 am – 1:00 pm**, at the Paul J. Ciener Botanical Gardens, 215 South Main Street, Kernersville, NC to go over the proposed bids.

## 6. Old business

There was no old business.

## 7. New business

Chair Frye stated that the June 6, 2012 PTRC Executive Committee meeting would be cancelled due to Town Hall Day in Raleigh on the same day.

## 8. Chairman's remarks and announcements

- June PTRC Board of Delegates meeting –  
**Wednesday, June 20, 2012, 12:00 Noon**  
Paul J. Ciener Botanical Gardens, 215 South Main Street  
Kernersville, NC

## 9. Informational Items

There were no informational items.

## 10. Adjournment

There being no other business, the meeting adjourned at 1:10 p.m.

  
Chair

  
Executive Director

