

**MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
RETREAT
JANUARY 21, 2010**

The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the Camp Royall, 250 Bill Ash Road, located in Moncure, North Carolina, at 8:30 AM on January 21, 2010.

Present: Chair Sally Kost, Vice-Chair George Lucier, Commissioner Carl Thompson, Commissioner Mike Cross, and Commissioner Tom Vanderbeck.

Staff Members Present: County Manager, Charlie Horne; Assistant County Manager, Renee Paschal; Finance Officer, Vicki Mc Connell; Deputy Clerk to the Board, Elizabeth Plata; Management Analyst, Sybil Tate; and Public Works Director, David Hughes

Agenda

Day Two

5. Capital Improvements Plan (CIP)
 - a. Space needs
 - b. Impact fees
 - c. Other attachments
 - d. ORED study and assumptions
6. Commissioners goals for preparation of FY 2010-11 budget—2 hours

CALL TO ORDER

Chair Kost called the meeting to order at 8:34AM.

JUDICIAL FACILITY

Ken Redfoot presented a revised construction budget for the judicial center as follows:

- Change the GFRC wall panels and FRP trim to stucco walls and shapes (columns and pilasters will remain GFRC/FRP). Each side of entrance “towers” will be changed from GFRC to brick from grade to curtainwall window sill. This includes the east and west sides of the area as well.
- Eliminate solar panels
- Change terrazzo to porcelain tile
- Replace geothermal system with boiler system
- Adjust the concrete paving budget
- Adjust the sidewalk budget
- Eliminate concrete sealer on shell space floors
- Change the roller shades to blinds
- Adjust elevator budget
- Eliminate escalation due to current market conditions
- Adjust cost based on projected bidding of subcontractor trade packages
- Change metal panels to stucco
- Change underground rain collection tanks to underground roof drainage piping to storm system

With the changes listed above and an adjustment in the fee on accepted and potential value analysis, the revised construction budget is \$17,283,112 for a savings of about \$2 million, said Mr. Redfoot.

LIBRARY RENOVATIONS

By consensus, the Board agreed to the amount allocated for the library renovations from \$749,262 to \$650,000.

EMERGENCY OPERATIONS RENOVATIONS

The Board asked that staff look into possible grants from Progress Energy to help cover the cost of the renovations needed to the Emergency Operations Center. By consensus, the Board agreed to reduce the amount allocated for the Emergency Operations Center from \$628,000 to \$500,000.

WATER ALLOCATIONS

David Hughes, Public Works Director, discussed water allocations with the Board. He mentioned that the way the regional water supply plant will work is that each jurisdiction will submit an allocation request with justification; that allocation requests will be reviewed carefully.

Commissioner Thompson asked Mr. Hughes if he thought there would be any issues with asking for fifteen million gallons per day to which Mr. Hughes responded that it may seem that Chatham's use per capita is too high.

Mr. Hughes stated environmental impacts from the intake need to be assessed which could be accomplished by hiring a consultant. Chair Kost asked if there was money set aside to pay for this to which Vicki McConnell, Finance Officer, responded that there were two million dollars in the water capital reserves.

Charlie Horne, County Manager, explained that one of the major hurdles they will encounter will be timing of water needs for the different jurisdictions; that the need for water in Chatham will come sooner than Durham's and so the question arises as to when Chatham should contribute their share of money for the intake.

Commissioner Lucier asked if the intake will be built in the Bells Landing site and if the plant itself will be located on acreage that OWASA has. Mr. Hughes responded that it all depends on the allocation; that Durham still needs to see how much water they are going to get and that this will determine the size of the plant. Mr. Hughes stated that these decisions are further down the road; that they first need to look at what the outcome will be of the water allocations.

Chair Kost stated that she wants to make sure that money is being set aside for this as Chatham will incur a cost at some point. Commissioner Thompson asked what a ball park cost for this project would be. Mr. Hughes responded that it could be anywhere from \$4-\$5 a gallon for the plant without the cost of the pipes.

UP FITS TO HIGH SCHOOL AUDITORIUMS

Ms. Paschal stated that during the discussion of the recommended capital improvements plan, the Board raised the issue of up fitting the auditorium at Northwood High School and not up-fitting the auditoriums at the other high schools in Chatham, which could cause a problem with equity.

Commissioner Lucier asked what the total cost would be to up fit each of the auditoriums. Ms. Paschal responded that the cost would be \$371,000 for each school for upgrades in the sound and the lighting. The cost of would be spread over the course of two years in 2011-2012.

Chair Kost asked if the school system weighed in on this decision. Ms. Paschal stated that the schools had requested up fits for the auditoriums, but staff did not recommend it given that it was a lower priority.

By consensus, the Board agreed to keep the request to up fit the high school auditoriums in the recommended capital improvements plan and to push the project up one more year to 2012-2013. The Board asked to receive input from the school system before making a final decision to make sure that the schools are agreeable to this and also to make sure that they do not have another project in mind that is higher priority.

Chair Kost asked about the pushing the request to upgrade Northwood High School's football stadium lighting one year so that the project is done in 2011 not 2012. Commissioner Lucier mentioned that the problem is that the lighting is out of compliance. By consensus, the Board agreed to move up the request to upgrade the lighting at the stadium one year to 2011.

LAW ENFORCEMENT CENTER

Ms. Paschal mentioned that the improvements to the sides of the law enforcement center are scheduled for 2012. Ms. Paschal stated that it may be a good idea to go ahead and start this project before the grant expires in November 2010. The grant stipulates that the money be spent before the expiration date. Ms. Paschal also mentioned that some citizens raised concerns about a tree that is located at the center that they don't want to be cut down which is what is in the current plan. Ms. Paschal stated that the problem is that if the parking lot is redesigned to save the tree, it would cost an additional \$20,000.

Commissioner Vanderbeck asked that an arborist evaluate the tree and if determined to unhealthy, then this is no longer an issue.

By consensus, the Board agreed to hire an arborist to evaluate the tree, move the improvements to the law enforcement center from 2012 to 2011 and move the purchase of the emergency storage building behind the jail to 2011 for additional cost savings.

LUNCH

Chair Kost called for a lunch break with the meeting to resume at 1:00 PM.

CLOSED SESSION

Commissioner Lucier moved, seconded by Commissioner Cross, to go into closed session to discuss matters of attorney/client privilege. The motion carried five (5) to zero (0).

NEW JAIL

Ms. Paschal explained that there is database that outlines jail construction costs for every jail built in the last decade. Mike Roberson, Captain, talked to the architect to see why square footage costs varied depending on the work being done and also looked at the variations in square footage. Ms. Paschal explained that she provided a few estimates based on cost per square footage with staff recommending the construction of the jail at \$261 per square foot.

Commissioner Lucier stated that this information was very helpful, but has some questions. He asked why Chatham averaged about 500 square feet per bed while other counties such as Harnett and Sampson only average about 250 square feet per bed or less. Captain Roberson explained that some jails also include a kitchen of offices for sheriffs and this may cause a discrepancy in the square footage. Ms. Paschal explained that the core facility is designed with capacity of 212 beds. Commissioner Lucier asked why a jail like the one in Sampson or Harnett counties would not work for us in terms of square footage per bed.

Commissioner Vanderbeck asked if the cost could be revisited given the economic climate; specifically looking at extra features that are not necessarily critical to the function of the jail that maybe other county jails don't have or other areas where the cost may be reduced. Captain Roberson explained that the construction plans for this jail did not include extra features;

that there are cheaper ways of building jails such as building a gym and having bunk beds instead of individual cells. Captain Roberson explained that at the operational level, cells work better because inmates can be segregated although this increases the cost.

Commissioner Lucier stated that in looking at other counties whose jails are similar in size such as Catawba and Watauga, their cost per square footage is much less than that of Chatham. Chair Kost asked if the cost was higher for Chatham because of the jail's proximity to Downtown Pittsboro, or that it is adjacent to the courthouse, or that it has have a more finished looked because of its location. Ms. Paschal explained that this is the first step of the planning process; that staff needed to put a cost in the debt model to present to the Board to and decided on the more conservative cost to have some room for revisions. She stated that staff talked with a consultant who has knowledge on jail facilities and created a building program. The consultant then met with the architect to determine the cost of the construction. Ms. Paschal stated that there is plenty of room for revisions and that the construction can be done for less, but staff need the Board's approval to move forward with the project.

Chair Kost stated that the Board is in agreement to build a jail, but do not agree that they need to build a 19 million dollar jail. Ms. Paschal suggested that an architect be hired to produce a schematic design and also look at the different sites as part of this cost investigation; that someone with this kind of expertise can provide a better cost estimate.

Commissioner Lucier stated that he would agree to use \$15 million dollars as a placeholder for the debt model. Ms. Paschal was concerned about the possibility of the project costing more than \$15 million and if the Board would be willing to revisit this number. Vicki McConnell, Finance Director, stated that in looking at bond ratings it is better to borrow more money than needed than to come up short.

Captain Roberson suggested that the Commissioners visit surrounding county jails to get an idea of what the structures look like compared to the cost; that issues to consider for the Sheriff's office are the location of the structure and whether or not it is connected to the courthouse.

Chair Kost asked if the jail could be constructed on the site next to the courthouse. Ms. Paschal explained that the way the building is designed, there would be four facilities on the bottom floor and the inmate housing unit on the second floor; that the building needs to have at least two stories and based on options, it would be better to build the jail on a different site than the courthouse to have room for expansion. Chair Kost suggested building a first appearance courtroom in the jail to lessen or eliminate the transportation of inmates to and from the courthouse. Captain Roberson mentioned that not having to transport inmates for their first appearance would save some money in operational costs, but not in subsequent appearances. Commissioner Lucier mentioned that the jail must be next to the courthouse, but this would mean an additional cost of 5 million dollars.

Commissioner Vanderbeck asked about the possibility of raising the impact fees in the out years of the construction of the jail to help offset some of the cost; that the Board has the flexibility to moderately raise the impact fees given the need and if no other revenue options are available.

By consensus, the Board agreed to hire an architect to look at options for the construction of the jail and using 15 million dollars as a placeholder for the debt model; that this figure can be adjusted as needed.

IMPACT FEE

Ms. Paschal reviewed the School Impact Fees Report provided by TischlerBise. Commissioner Lucier asked what the categories for the impact fees were. Ms. Paschal responded that the categories are as follows: \$3,264 for 0-2 bedrooms, \$8,432 for 3 bedrooms, and \$14,404 for 4+ bedrooms.

Chair Kost stated that she was in favor of charging the impact fee based on the number of bedrooms until listening to the Board's discussion and reading other information on this issue;

that she is now in favor of charging a flat fee per dwelling. Commissioner Vanderbeck agreed with Chair Kost. Commissioner Lucier stated the Board can charge fifty percent of what the report suggests so that a home with 0-2 bedrooms will pay \$1,632 instead of \$3,264. Commissioner Vanderbeck stated that this would provide more options for citizens and make it more equitable. Determining the number of bedrooms would be complicated Chair Kost said; that someone could claim a room is a den and after the inspector signs off on the room, the home owner could add a closet turning the den into a bedroom and not paying the impact fee.

Commissioner Cross stated that he was not in favor of raising the impact fee, but raising property taxes. Commissioner Thompson stated that he was more in favor of charging the impact fee per dwelling with a slight increase. Commissioner Lucier mentioned that he still believes the impact fee should be charged based on the number of bedrooms and not a flat fee per dwelling.

Chair Kost stated that the new high school can be paid with an increase in the impact fees, increase in property taxes or a combination of both. Ms. Paschal stated that in order to pay for the high school the Board can either increase the impact fee by \$1,300, increase property taxes by one cent or do a combination of increasing the impact fee by \$650 and increasing property taxes by half a cent. Ms. McConnell pointed out that rating agencies would much rather see an increase in the property taxes because it is a more reliable source of revenue.

By consensus, the Board decided to increase the impact fee from \$3,500 to \$4,200 and increase property taxes by half a cent. Chair Kost added that she would like for the impact fee to be levied not at the time the building permit is obtained, but at the time when builders get temporary power to give them a little more time to pay the fee. Mr. Horne stated that the fee needs to be collected at a time when there is an inspection so that it is easier administratively to track. The Board agreed to levy the impact fee when the builder gets temporary power and also agreed to make the new fee effective January 1, 2011.

With the age restriction on the impact fees, Commissioner Lucier stated that older citizens benefited from an education at some point and does not see a problem with removing the age restriction so that everyone has to pay the impact fee. The Board agreed to have Jep Rose, County Attorney, investigate to see if the age restriction can be removed. Chair Kost stated that the Board would not make a formal vote on the impact fees, but have provide general guidance to staff on how to proceed.

BREAK

Chair Kost called for a short break.

LANDFILL

Chair Kost asked staff to explain what the issues are regarding the landfill what decision points the Board needs to discuss. David Hughes, Public Works Director, stated that the staff is asking the Board to decide on the size that new landfill and also to have the Board's approval to do a site study. Mr. Horne asked if there were any specific geographical issues to take into consideration when determining a site. Mr. Hughes responded that the consultant identified 6 potential zones for the location of the landfill, but a geological study needs to be done for each zone to determine suitability; that in order to proceed, staff need to know the size of the landfill and have the approval to move forward with the site study.

Commissioner Lucier asked about the possibility of building an eco-industrial complex type facility which would have to be large enough to handle at least 500 tons per day and would also require partnering with other counties to make it work. Mr. Hughes mentioned that the state has a harder time dealing with smaller landfills because many time counties do not have the revenue to make the landfills run efficiently and correctly.

Chair Kost stated that all of the information presented to the Board with regards to the landfill makes it clear that Chatham does not have the volume to support the landfill both financially and in providing environmental oversight of the facility; that her first reaction is to agree with Commissioner Lucier in that an eco-industrial facility would be a better choice.

Chair Kost pointed out that the Board needs to start thinking about who the possible partnering county would be to determine the location. She stated that she would prefer to have the current landfill cleaned up and have the new built there. Commissioner Lucier mentioned that he was under the impression that in order to build a facility that would accommodate 180 tons per day in the location of the current landfill, the county would have to purchase an additional 30 acres of land.

Commissioners Vanderbeck asked if the Board can set up a tour at the facility in Catawba County to learn about their eco-complex and get a better understanding on how a facility like this works and to also to see if Chatham can build a similar facility at a smaller scale.

Chair Kost asked if the current landfill area has been evaluated to determine if it site can accommodate a larger regional landfill. Mr. Hughes responded that the consultants did not look at any site in great detail; that the adjacent property has been looked at and there is enough to accommodate a larger facility. Commissioner Thompson was concerned about social justice issues that may arise from purchasing additional land to build a bigger facility. Mr. Horne stated that when this issue was first looked at, there was the thought of buying out adjacent property or possibly providing water service as a way to mitigate this situation. Chair Kost stated that the siting process will take into account all of these issues. She asked staff about what is needed to move forward in the siting process. Ms. Paschal responded that with the delay in the construction of the collection center, there is money available to get started now. Chair Kost asked staff to begin the siting process for a landfill that can accommodate 500 tons per day, knowing that the Board may decide to build a facility that only accommodates 180 tons per day; that the site selection needs to include the current landfill site as well. The Board also agreed to delay the construction of the collection center in the northeast to 2015.

BOARD OF COMMISSIONER GOALS

Chair Kost asked that the goals for the current year be reviewed and revised as needed. Mr. Horne reviewed the Chatham County Board of Commissioner FY 2009-2010 Goals handout.

Open Government

Strategy 1: Make our commissioner meetings more citizen-friendly.

Mr. Horne stated that Debra Henzey, Community Relations Director, and Elizabeth Plata, Deputy Clerk, are working on a survey to get feedback from citizens on how to make meetings more citizen-friendly; that staff is also providing information on the website of public hearings and any other information regarding the Commissioner meetings. Chair Kost commented that she has spoken with Ms. Henzey and feel that a citizen survey may not be necessary given that staff knows what changes are needed; that there are three important factors in making meetings more citizen-friendly which are: citizens can see the information, they can hear the presentations and have a basic understanding of what staff is discussing. Chair Kost mentioned that the items that come before the Board may be presented more clearly by using power point presentations or providing more detail, so that citizens understand what is being discussed. Commissioner Lucier agreed adding that a power point presentation provides citizens with a visual; that staff can make sure that they include in their explanation the parties involved, why the item is being discussed, what are the major conclusions and specifically what the public's comments need to relate to during public hearings.

Commissioner Thompson stated that detailed descriptions and presentations lessen the possibility of citizens leaving a meeting with questions about what was discussed, which can lead them to believe inaccurate information from others.

Commissioner Vanderbeck suggested having a screen that descends from the ceiling that would make it easier for citizens to see the information. Chair Kost mentioned that she had spoken to the superior court judge about making this addition to the plans for the new judicial center and he was open to the idea. She also asked if the commissioners would agree to meet in the Agricultural Auditorium since the interaction would be better for everyone and there is a screen that can be used; that she feels it would be a good idea to move night meetings to the auditorium. Jeffrey Starkweather commented that from a citizen stand point, it is intimidating

when there is a wall between the commissioners and the citizens. Ms. Paschal asked the Board if they would let staff know which items would require a power point presentation during the preliminary agenda review meeting or would staff need to have the presentations ready by that meeting. Chair Kost responded that this would be discussed at the preliminary agenda review meeting, but expect that each topic on the agenda will be introduced; that the planning department does an excellent job at providing background information for items they present to the Board. In general, public hearings should include a visual presentation Chair Kost said. Rita Spina suggested that there be a separate web page that explains the process for being able to speak at a public hearing.

Strategy 2: Improve linkages and communications between advisory boards/committees and commissioners, including providing staff support.

Mr. Horne explained that improving linkages between the advisory boards/committees, commissioner and staff has been an ongoing process.

Chair Kost mentioned that the all boards meeting was a very good communication tool; that from this meeting it is clear that ground rules and expectations need to be established.

Strategy 3: Strengthen the budget document making it a more effective tool for decision makers and citizens alike.

Mr. Horne stated that this document is very concise and has improved; that the upcoming budget document will include more information in some areas. Staff has been looking into the Government Finance Officers Association (GFOA) award to see how this can be incorporated.

into the budget document. Ms. Paschal mentioned that Ms. Tate asked someone from the UNC School of Government to look at Chatham's budget document and found only two deficiencies. Ms. Tate explained that the budget document could be better linked to the Capital Improvements Plan (CIP); that currently there is no link to the CIP in the budget document at all. Another deficiency was that the budget message needs to be more comprehensive said Ms. Tate; that she has looked at the award-winning budget messages from last year and also at the budget message for Wake County to outlines items that need to be included. Ms. Tate mentioned that Chair Kost asked to see a highlights section in the budget document to show the changes in the department budgets. Chair Kost added that this will help explained the major increases or decreases in the budget from year to year.

Strategy 4: Study the feasibility of forming Citizen Advisory Committees on specific county issues.

Mr. Horne mentioned that Ms. Henzey will be looking into the feasibility of forming citizen advisory committees once the State of the County Address, annual report and the Census work is completed. Commissioner Lucier stated that the county already has 41 advisory boards to help with different issues and asked why there was a need for citizen advisory committees. Chair Kost responded that the purpose of these committees was to help inform others on the different projects of the Board, but agrees with Commissioner Lucier that the need for these committees is lower on the priority list.

Commissioner Thompson clarified if these would be standing committees in different parts of the county that would advise the Board on issues. Chair Kost stated that this was correct, but that the goal was simply to study the feasibility of being able to do this.

Strategy 5: Direct the manager to develop a comprehensive legislative goals process that engages departments early on to provide feedback by midsummer to commissioners on potential issues.

Jeffrey Starkweather commented that the Board should receive feedback from all the committees serving Chatham County as part of this legislative goals process. Chair Kost agreed and added that things such as the sales tax on food being tied to the population projections for 1997, need to be put on a list so that they can be corrected.

Mr. Horne stated that as issues come up, he is adding them to the list for review.

Strategy 6: Look at conducting reformatted Commissioner meetings, to be held in different parts of the county on a quarterly basis.

Mr. Horne stated that Ms. Henzey is working on this goal. Commissioner Vanderbeck added that meetings are held in the center of the county and this can make it difficult for some citizens to attend meetings; that certain work session items can be discussed in others areas of the county to start the process of moving meetings to different locations.

Chair Kost mentioned that she would prefer that Ms. Henzey's role in this be simply to provide advertisement; that as a start, two of the commissioner meetings can be moved to a different location a year instead of quarterly. She also mentioned that it would be the responsibility of the commissioners to have a light agenda on these meeting days and have items on the agenda that would require significant public comment.

Commissioner Lucier stated that the clerk to the Board and the deputy clerk would need to look for different sites such as the Western Senior Center in Siler City, and also to check with staff involved in setting up equipment for these meetings to make sure this is be successful. Chair Kost added that schools make great meeting places; that the Board needs to work with the clerk staff to decided on dates and locations.

Strategy 7: Look for ways to reward innovation, update processes, and provide more efficient and citizen-friendly service.

This is done consistently by staff and is improving through leadership classes the county offers employees and incorporating it in the staff pay for performance process said Mr. Horne. Chair Kost stated as this goal is revised the only change needed is to add the word "continue" at the beginning so that the goal now reads "**Continue** to look for ways to reward innovation, update processes, and provide more efficient and citizen-friendly service." By consensus, the Board agreed.

Commissioner Vanderbeck asked about strategy #8 that was no on the document. Chair Kost stated that the strategy was not numbered and was located at the end of strategy #7 which reads: "Consider a citizen engagement task force to study how to make county government more citizen-friendly and increase citizen understanding of county government decision making."

Chair Kost stated that she has received comments from citizens that change this strategy; that citizens want the Board and staff to find a way to better disseminate information. Ms. Henzey has already started to work on this with Home Owners Association Chair Kost said. Commissioner Lucier added that in regard to the Home Owner's Association, when a press release is done it should be sent to the different groups that are part of this entity to disseminate the information.

Commissioner Vanderbeck mentioned that up to this point of the discussion, many of the strategies mentioned highlight the need for countywide broadband connection.

Commissioner Thompson asked about reaching the citizens who do not rely on the internet to access information. Chair Kost replied that this is why this task force is so important in figuring these issues out.

Fiscal Management

Strategy 1: Receive and act on the Impact Fee Report (consider changing when impact fee is charged from when the building permit is issued to when certificate of occupancy is issued).

Mr. Horne stated that the report is in place and are looking at the feasibility for changing when the impact fee is collected.

Strategy 2: Present options for the implementation of Pay Equity Study.

Mr. Horne stated that recommendations have been presented to the Board, but that this is a difficult strategy to approach given the economic times; that he is hopeful that the pay equity study can be applied in the next couple of years.

Strategy 3: Implement revaluation and revisit the designation of five cents on the tax rate (post-revaluation) to the capital debt model.

Ms. McConnell stated that the five cents are needed. Chair Kost stated that this strategy can be removed from the list; that she will be bringing this to the Board's attention next year.

Commissioner Thompson asked Chair Kost if there was a method in place to track the goals that have been accomplished. Chair Kost stated that the plan is to get a quarterly update to check the status of the goals; that the manager will provide the updates.

Strategy 4: Consolidate similar or duplicated services and identify ways for departments to share resources including personnel.

Mr. Horne stated that this work is in process; that one example of this is how the health department working with the schools to determine the best ways to provide health services to students. Chair Kost added that this strategy is mainly looking at improving efficiencies not just across departments, but that she would also like to add the school system and municipalities.

Strategy 5: Implement program-based budgeting and comprehensive review of all departments on a regular cycle (3 to 5 years).

The Manager's Office and the Recreation Department have already gone through this process.

Strategy 6: Economic Development Corporation should explore outside funding and use surplus funds before requesting new resources from the county.

Ms. Tate is currently working on this strategy; that the Economic Development Corporation (EDC) is working on doing fundraising. Chair Kost asked that the word "continue" needs to be added as the work here is ongoing. The strategy will now read: "Economic Development Corporation should **continue** explore outside funding and use surplus funds before requesting new resources from the county."

Strategy 7: Funding for non-profit organizations will not be reduced; increased funding will be in proportion to the growth in the tax base. The current earmarking of one-half cent on the tax rate will be adjusted to reflect the impact of revaluation.

Mr. Horne commented that the adjustment to the tax rate has been done. Chair Kost stated that the goal needs to be updated to show the change and match the policies.

RECESS

Commissioner Cross moved, seconded by Commissioner Vanderbeck, to recess the meeting at 4:03PM until Friday, January 22, 2010, 8:30 AM at Camp Royall, 250 Bill Ash Road, located in Moncure, North Carolina. The motion carried five (5) to zero (0).

Sally Kost, Chair

ATTEST:

Sandra B. Sublett, CMC, Clerk to the Board
Chatham County Board of Commissioners