

**MINUTES**  
**CHATHAM COUNTY BOARD OF COMMISSIONERS**  
**BUDGET INPUT SESSION, MAY 13, 2002**

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The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the North Chatham School, 3380 Lystra Church Road, Chapel Hill, North Carolina, at 7:00 PM on May 13, 2002.

Present: Chair Gary Phillips; Vice Chair Margaret Pollard; Commissioner Rick Givens; County Manager, Charlie Horne; Assistant County Manager, Paul Spruill; and Finance Officer, Vicki McConnell

Commissioner Atwater arrived at 7:20 PM.

Commissioner Outz arrived at 7:40 PM.

The Chairman welcomed those in attendance and the meeting was called to order.

**PUBLIC INPUT SESSION**

**Bill Lowry**, 189 Pleasant Court, Pittsboro, NC, stated that he appreciates the County Manager’s budget recommendation that includes a transfer of \$500,000 to the water system from the General Fund for water extensions consistent with the Commissioner’s preferences. He encouraged the Board to consider a five percent increase in water rates.

**John Mays**, 100 Grady #102, Chapel Hill, NC, asked a question concerning the make-up of intergovernmental revenue.

The Manager and the Chairman explained that it is made up predominantly of State – shared revenues and has historically been intended to make up for tax bases that the State took away over the last decade. The Manager and Chair estimated that the potential loss of State revenues currently stands at \$1.7 to \$2.0 million. The Chairman continued by explaining the potential for lost funds in State agencies who pass resources through to Chatham that may or may not yet be known. The Manager followed up explaining that the State has chosen to make these cuts and allow the County to choose whether to fund them with local money or lose the service.

**Todd Watkins**, 37503 Eden, Chapel Hill, NC, pointed out that the County’s population density is lower than most without industry. He stated that he believes the tax rate is too low to support the level of services the County needs given its low population density and corporate income; and that he is curious if Counties similar in population density and commercial base have a comparable tax rate.

The Chairman explained Chatham’s unique circumstance in terms of a rural County with a very low poverty rate. He pointed out that assuming those factors, continued work is needed to add more commercial base, and stated that the County is slowly making progress.

Commissioner Atwater emphasized the need to continue to relieve the residential tax base with non-residential growth stating that every citizen does not benefit from the prosperity of Research Triangle Park.

Commissioner Pollard pointed out the need to continue to be disciplined about County tax rates while balancing the need for services given the numbers of folks becoming members of the retired population living on limited income.

Commissioner Givens pointed out that eighty citizens earning more than \$1.0 million annually push the County's average income up so high that the County does not benefit from several sources of grant assistance.

**Peter Theye** posed a question about the use of high school districts to generate more revenue to be used by the school system. He also asked why the State is reluctant to raise income taxes in order to grant relief to local governments.

Commissioner Givens and the County Manager pointed out the difficult political circumstance the County faces where the State reserves all revenue sources other than property taxes for themselves. Chairman Givens followed up pointing out that the State is not only failing to help with revenue (ie: reluctance to allow County to use an impact tax as opposed to an impact fee), but it is also relinquishing responsibility for services to local governments without providing funds.

Commissioner Atwater responded to the school district question by pointing out that the issue is always on the table, but to some degree the leadership would like to see all schools improved at the same time.

Chairman Phillips outlined his individual preference to consider on a case-by-case basis given the changing population needs specific to each area of the County.

An unidentified person communicated her concern that as much funding as possible go to schools with the second most important priority being Environmental Health. She went on to say that pressures on these services come from development. She suggested the Board just say no until the funding and infrastructure is in place to handle growth.

## **ADJOURNMENT**

The Chairman pointed out that his first meeting as a Commissioner four years ago in North Chatham brought yells from North Chatham residents at the North Chatham budget meeting. He thanked those in attendance for the polite discourse. He stated that he is not prepared to guess at a tax rate; and that he is looking forward to the budget work sessions where he will examine proposed cuts, examine the rate, and make a decision.

The Chairman adjourned the meeting at 8:20 PM.

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Gary Phillips, Chairman

ATTEST:

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