

MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
BUDGET WORK SESSION, JUNE 05, 2002

The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the Henry H. Dunlap, Jr. Building Classroom, located in Pittsboro, North Carolina, at 1:00 PM on June 05, 2002.

Present: Chair Gary Phillips; Vice Chair Margaret Pollard, Commissioners Bob Atwater, Rick Givens, and Carl Outz; County Manager, Charlie Horne; Assistant County Manager, Paul Spruill; Finance Officer, Vicki McConnell; and Clerk to the Board, Sandra B. Sublett

The meeting was called to order by the Chairman at 1:10 PM.

Agenda

Fiscal Year 2002-2003 Recommended Budget

PLANNING BOARD RESIGNATIONS

Chairman Phillips informed the Board of the Planning Board’s two resignations, Garry Anderson and Jonathan Manning, at the prior night’s meeting.

BID PROCESS

Commissioner Atwater stated that he would like for the Board to discuss the option of doing business with existing Chatham County businesses when they are in a reasonable range of competitiveness to other bidders.

The County Manager explained that the County is working from a slogan the Chamber of Commerce used several years ago “Buy Chatham”; that the County generally does that anyway; that the County also tries to buy recycled products to the extent possible; that this has not been done at the level of buying at any cost as recycled products are typically more expensive than raw products.

The Finance Officer stated that this was County policy.

Robin James, Chatham County Purchasing Agent, stated that Chatham County tries to always seek quotes and bids from vendors within the County giving them the opportunity to compete for the County’s business; that under General Statute guidelines, the County can not discriminate against vendors, so favoring vendors located within the County becomes an issue of discriminating that the County has to avoid; and that under the informal bid rules, there is room to seek Chatham County bids without violating any statutes. She further stated that Chatham County supports the use of recycled products when the price variance is within a reasonable amount and that the County store purchases all recycled paper from State contract.

Commissioner Outz stated that the County can not get into price fixing. He asked if the County is

purchasing supplies for the schools.

The County Manager stated that the schools have their own vendors.

CHATHAM COUNTY SCHOOLS BUDGET

Commissioner Atwater expressed concern that any entity that receives public money from Chatham County, that in the letter of transmittal, expectations are levied that any decisions regarding fiscal monies should be public and publicly announced and that it should be made very clear that, at least for the monies the County provides, that they have to meet a higher standard in terms of their operating procedures.

The County Manager explained that this has been done through the same requirements as those of the Board in terms of the Open Meetings Law.

Commissioner Atwater moved, seconded by Commissioner Pollard, that any public monies appropriated by the Board of Commissioners to any entity beyond the central government, i.e. fire departments, Chatham Transit, non-profits, that they abide by the Open Meetings Law and decisions regarding finances are to be made in the public arena. The motion carried five (5) to zero (0).

The Assistant County Manager stated that he would find a web site link on the internet concerning the Institute of Governments Open Meetings' Law and place it in the funding letters to outside agencies notifying them that the Board of Commissioners asked that he include language that says use of this funding requires them to comply with the NC Open Meetings Law.

ARTICLE 44 SALES TAX

The County Manager explained that part of the Association's work in this area is to get the State to give the Counties, on a quicker basis Article 44, a ½ cent sales tax to offset reimbursements and that it requires a process for the Board to go through. He stated that he would have it ready for the June 17, 2002 Board of Commissioners' meeting.

Commissioners Pollard asked that a motion be prepared to support the Association's efforts to get the County out of Medicaid asking that the State pick up all associated Medicaid costs.

INSURANCE

Commissioner Outz asked about the large increase in employee insurance.

The Assistant County Manager explained that all of the County's insurance had increased significantly; that in part this was due to the events of September 11, 2001; that when staff saw the increase from the current carrier, research was begun to find other alternatives; that staff is now working to contain it to single digits; that self-funding for Workmen's Compensation, much like has successfully been done with health insurance, is being researched.

PAY AS YOU THROW

Solid Waste Disposal:

Commissioner Outz asked if there were any available figures for "Pay As You Throw" (PAYT) compared to the regular "user/availability fee" system.

Attention was directed to the narrative in the 2002-2003 Recommended Budget.

FEES

The "Inventory of Proposed Fee Increases" was discussed.

ECONOMIC DEVELOPMENT

Chatham Creative Arts Incubator:

A discussion of the Chatham Creative Arts Incubator (CCAI) as a Chatham County economic development project ensued.

After considerable discussion, Commissioner Pollard moved, seconded by Commissioner Givens, to fund the \$48,200 for the Chatham Creative Arts Incubator with \$24,000 to be taken from the Economic Development budget. The motion carried four (4) to one (1) with Commissioner Outz opposing.

STATE HOSPITAL

Commissioner Atwater expressed concern that Granville County had hired a lobbyist at a cost of \$10,000 to lobby for the new State hospital. He stated that he was afraid that Chatham County was sitting on its "duff" by not doing anything.

A discussion ensued with regard to the pros and cons of locating the State hospital in Chatham County.

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Commissioner Pollard asked that the County Manager write a letter to the Legislators expressing the County's support of the efforts to relocate a mental health facility in Chatham County.

Chairman Phillips voiced concern about the traffic impact of the facility should it be located in northeastern Chatham, but still voiced his interest in examining the project.

Commissioner Atwater suggested that the letter state the County will examine the costs and benefits of such a project to Chatham County with great interest placed on participating in this project.

COUNTY ATTORNEY

Chairman Phillips stated that he would like for the Board to explore the possibility of hiring a full-time County Attorney.

Commissioner Givens asked what the County's maximum cost per lawsuit ranges.

COURTS

Facilities:

The County Manager stated that in a conversation with Judge Buckner, that while they need the facilities, they can manage with the facilities that they now have with proper planning and management.

The Assistant County Manager explained that staff has tried to help with Judge Buckner's requests;

that as the judge has offered ideas, staff has helped implement them, i.e. directional signs, use of the Agricultural Building Auditorium for registering people, etc.

Juvenile Justice:

Commissioner Pollard asked if Juvenile Justice money would be available next year.

The Assistant County Manager stated that they are anticipating a ten percent reduction in Juvenile Justice money; that this is based on the Governor's budget; that the Legislature could remove the Juvenile Justice funding from the Governor's budget; that Orange County took action to continue funding pre-trial services through December on the County's bill if the State did not come through with the money; that at the end of December, they would remove funding; that how it affects Chatham County remains to be seen; that if the Legislature does not put the money back in the Governor's budget, Chatham could choose not to benefit from pre-trial services from July to December and thus not have a bill from Orange County as a share of the cost.

Commissioner Givens stated that he thought it was wonderful to have a budget without a tax increase, but that he wanted to be very careful because everyone else is being cut; that he does not want to start throwing money everywhere to make up the deficit that the State left the County with; that if that is done, next year's budget will be even worse; that there are some places that, while everyone else is taking cuts and laying off personnel, the Board is expected to keep everyone and make it work for everyone is wrong; that it is not right for the taxpayers; that he will either be the sheriff or a private taxpayer next year, and he would like to limit his liability to Chatham County as much as he can; and that the entire State is cutting; that the Governor made the decision about where to make cuts; that the Board should not make up the deficit which would put the County deeper in debt.

Chairman Phillips stated that he could understand that the Board would not want to expand, but stated that the County has the resources to hold-the-line.

Commissioner Outz agreed with Commissioner Givens referring to an article he had cut out of the newspaper. He reviewed cuts in positions and budget. He also mentioned that the State was cutting 1,400 positions, and said that a big tax increase for the next year bothered him.

Staff reviewed positions and budget cuts in the previous and proposed year's budgets.

The Manager explained that it was staff's duty to provide their best insight assuming that there is no difference this year to next in what takes place. He stated that it was not "written in stone" that all of fund balance appropriated will be used; that it is staff's obligation to let the Board know that it could happen; that if the Board looks at the perimeters set for the proposed budget, they have more than met them; and that staff is fortunate that the Board has given staff the direction without the sacrificing of a "body".

Commissioner Outz stated that he was not criticizing the efforts of the Manager and that he thought the Manager had done a good job.

Commissioner Givens stated that he thought the Manager did a great job and that he was pleased with the school's budget.

CHATHAM COUNTY SCHOOLS

Commissioner Givens moved, seconded by Commissioner Pollard, to approve the Chatham County

Schools' budget as proposed. The motion carried five (5) to zero (0).

PERSONNEL and PAY FOR PERFORMANCE

Commissioner Givens expressed concern that another staff person be hired for fire inspections. He asked what the average increase for proposed employee pay raises would be. He stated that he might propose a three percent over-the-board pay increase but did not know that it would be worth what it would cost in terms of savings.

Commissioner Pollard voiced concern with the Board not following through on a commitment.

The Assistant Manager stated that the average raise would be 6.2%.

Chairman Phillips stated that in talking with Department Heads and other people, he feels that the "Pay for Performance" is going to result in a lot of savings for Chatham County and that it has really sparked the morale of employees in a way that is different than anything else.

Commissioner Givens stated that some of the employees with whom he had spoken did not "have a clue"; that even though they went to class, they begrudged doing so; that they didn't pay attention when they went to class; and that now they are saying that they wish they had known.

The County Manager stated that all employees, with the exception of two or three people, chose to participate in the program.

The Assistant County Manager stated that he felt it was important for the Board to remember that the old system was not 3%; that it was 5.5%; and that when 6.2% is compared to 5.5%, it is a minimal amount.

Commissioner Pollard stated that staff was being asked to do more with less people.

Commissioner Outz asked if a 1% raise was the lowest that an employee could earn.

The County Manager stated that 0% was the minimum; that they could get nothing; and that it was their choice.

Chairman Phillips asked for a confirmation of where the "pain" was in the budget. He asked for a sense of whom was deeply disappointed in the budget and why.

The County Manager stated that he didn't think that anyone was in great pain; that everyone understood the sacrifices that were to be made to make it work and they lived up to it.

The Assistant County Manager stated that in trying to make cuts, reductions in transfers and the reductions in capital are real; that the Southwest Community Park is a good example; that there has been no money budgeted for a contribution to the grant match; that it was a \$250,000 grant match which they think can be stretched out over the next year; that a cut was made there and they have to figure out how to deal with it either through fund raising or some other way.

He stated that another example is the Fleet Management reserve. A discussion ensued with regard to contributing the same amount contributed last year for the next three years. He stated that the fund would finally become solvent; that the contributions would drastically drop from somewhere around \$590,000 to \$120,000; that the reason for this would be that the Board would have caught up with stocking that fund with

the money necessary to replace vehicles as they come off the line; that one of the reductions was a large cut in that transfer; that it was dropped to \$596,000 from \$1,000,000; and that there are places where no one will come to the Board screaming that they have been funded.

Chairman Phillips stated that the Planning Department's request for another planner is entirely justified; that the Board is seeing how that department is being swamped; that the Board has seen the problems that the department has had due to large developments and their construction and their need for a Sedimentation and Erosion Control Officer in Chatham County.

Commissioner Outz asked to see a print out by department of the percentage each employee earns.

BUDGET

Commissioner Givens moved, seconded by Commissioner Pollard, to approve the Fiscal Year 2002-2003 budget as presented.

Chairman Phillips amended the motion to include the addition of funding in the amount of \$48,000 to the incubator (\$24,000 to come from the Economic Development budget) and with the proviso that if the State monies, which are currently unallocated, come to the County, they will be placed in the Fund Balance with staff to make recommendations to the Board of Commissioners for disposition of the funds to include the fire department tax rates. The motion included the adoption of, not only the General Funds Budget, but also the adoption of the Special Revenue Fund Budget and the Enterprise Fund Budget.

The motion carried five (5) to zero (0).

TAX RATE

The adopted budget has a tax rate of 64.64 and includes two new fees/fee increases in the Fire Inspections and Environmental Health, respectively.

SALARIES FOR REGISTER OF DEEDS, SHERIFF, and COUNTY MANAGER

The Assistant County Manager reminded the Board that they will need to set the salaries for the Register of Deeds, Sheriff, and the County Manager sometime before July 1, 2002.

By consensus, the Board agreed to decide this matter at their Work Session on June 17, 2002 at 4:00 PM.

WORK SESSIONS

By consensus, the Board cancelled the work sessions previously set as budget work sessions for Monday, June 10, 2002 and Wednesday, June 12, 2002.

SPORTS ARENA

A discussion ensued with regard to the noise level at the Sports Arena. Commissioner Givens stated that he was going to further investigate the matter.

Commissioner Pollard asked that the County Manager research how other jurisdictions handle noise/bass vibrations.

CHEMICALS

Commissioner Givens confirmed a rumor that was on the "Chatham Chat List", a Chatham On-line e-mail digest, with regard to chemicals.

The County Manager was asked to relay this information to the Sheriff.

ADJOURNMENT

Commissioner Pollard moved, that there being no further business to come before the Board, the meeting be adjourned. Commissioner Outz seconded the motion, and the meeting was adjourned at 3:12 PM.

Gary Phillips, Chairman

ATTEST:

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