

MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
WORK SESSION
MARCH 01, 2004

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 9:30 AM on March 01, 2004.

Present: Chairman Tommy Emerson; Vice Chair Carl Outz; Commissioners Margaret Pollard, Bob Atwater, and Bunkey Morgan; County Manager, Charlie Horne; County Attorney, Robert L. Gunn; Assistant County Manager Renee Dickson; Finance Officer, Vicki McConnell; and Clerk to the Board, Sandra B. Sublett

The Chairman called the Work Session to order at 9:54 AM.

Work Session

1. Discussion of Compact Communities Ordinance Revision and Consideration to set a date for public hearing on same
2. Budget

PUBLIC WORKS

Automatic Meter Reading System Exchange:

Robin James, Chatham County Purchasing Agent, explained that at the Board of Commissioners’ February 16, 2004 meeting, the Board authorized the Water Utility Department to proceed with the purchase of Hersey radio read meters; that as part of the consideration, the County was authorized to exchange equipment in accordance with NC General Statute 160A-271; that in order to fulfill the requirements of the exchange, a notice of intent to exchange property must be published ten days prior to the Commissioners confirming the exchange; that on February 19, 2004, a legal ad was published in the Sanford Herald; that due to a layout error overlaying the last line of the notice the ad re-ran on February 20, 2004; that the ad was posted in the Chatham Record/News the week of February 26, 2004 and a notice was placed on the County Office information board on February 18, 2004; that with requirement being met under the North Carolina General Statutes, the final step is for the Commissioners to confirm the exchange of 121 Neptune meters valued at \$148.00 each with Water Works Supply Company of North Carolina for the equivalent value of Hersey meters.

Commissioner Pollard moved, seconded by Commissioner Atwater, to confirm the exchange of the meters. The motion carried five (5) to zero (0).

Commissioner Pollard moved, seconded by Commissioner Morgan, to approve **Project Ordinance Concerning the Water Treatment Plant Modifications & Upgrade**, as previously discussed. The motion carried five (5) to zero (0). The project ordinance is attached hereto and by reference made a part hereof.

Waste Management & County Fleet Garage Improvement Project:

Bob Holden, Solid Waste Manager, stated that on February 16, 2004, the Chatham County Fleet Maintenance Garage moved to 811 Landfill Road at the site of the Waste Management Garage; that in order to accommodate the County vehicles brought out for maintenance, the parking area needs to be expanded for the Waste Management's eight trucks; that the garage facility will also be able to handle the Chatham County Library bookmobile and the Water Utility dump truck; that the County proposes to clear-cut an area approximately 150 feet by 70 feet located at the west side of the current parking area; that the clearing will be bid as a service contract with the trees cut used as part or all of the payment; that the County will finish grading the site and prepare the area for the rock to be hauled in; that in addition to the parking area, there are approximately twenty-three trees along the south fence line between the County garage area and the Animal Control which need to come down; that the trees selected are greater than ten inches in diameter and pose future threat to the fence line; that after the completion of the new parking area, the fencing will be redone to encompass the new lot area; and that the cost estimate of this improvement project is \$2,200.00 which will be absorbed in current budget areas.

By consensus, the Board approved the project.

COMPACT COMMUNITIES ORDINANCE

George Lucier, Planning Board Chairman, reviewed the February 19, 2004 draft of the Compact Communities Ordinance as recommended by the Planning Board. Keith Megginson, Planning Director was present.

- After considerable discussion, Commissioner Atwater moved to approve the February 19, 2004 draft Compact Communities Ordinance for public hearing and to include the mandatory changes required in the Zoning Ordinance, Subdivision Regulations, and Storm Water Regulations and to hold a public hearing as soon as possible with the date to be determined.

After further discussion, the motion died for lack of a second.

LUNCH BREAK

- The Chairman called for a lunch recess.

RECONVENE

The Chairman reconvened the meeting.

Commissioner Atwater reintroduced his former motion as follows:

Commissioner Atwater moved to accept the February 19, 2004 Compact Communities

Ordinance which has been discussed, as well as endorse the Subdivision, Storm Water, and Watershed Ordinances to enable the Compact Communities Ordinance and to move forward to a yet to be determined public hearing date as soon as legally possible. Commissioner Pollard seconded the motion.

Commissioner Pollard asked Counsel to reiterate the need for the waiver.

The County Attorney stated that the waiver provides, that if sometime in the future, there is an application and there is not a rational connection between a provision of the ordinance and the development, then upon request and demonstration of lack of connection, the Board would have the option to waive the ordinance provision.

Commissioner Pollard asked Commissioner Atwater if he would be inclined to amend his motion to include the waiver.

Commissioner Atwater declined.

Commissioner Pollard moved, seconded by Commissioner Outz, to amend the motion to include the waiver as proposed by counsel.

After further consideration, the amended motion (to approve the recommendation of the Planning Board with the exception that it adds the waiver with the language recommended by the County Attorney) carried four (4) to one (1) with Commissioner Atwater opposing.

The Chairman called for a vote on the original motion as amended (which accomplishes all that has been recommended by the Planning Board with the addition of the waiver).

The motion carried four (4) to one (1) with Commissioner Atwater opposing.

Commissioner Atwater moved to ask the Board's permission to seek the opinion of the language in the waiver clause from the NC Attorney General's Office. Commissioner Morgan seconded the motion. The motion carried five (5) to zero (0).

Commissioner Morgan moved to set Tuesday, March 23, 2004 as the date on which to hold a public hearing on the proposed Compact Communities Ordinance at 7:00 PM, that the Planning Department and Planning Board review it and make recommendations, and that it come before the Board at their regularly scheduled Board of Commissioners meeting on April 19, 2004 for action. Commissioner Outz seconded the motion. The motion carried five (5) to zero (0).

The Planning Director distributed information on a joint public hearing scheduled for Monday, March 29, 2004 at 7:30 PM at the Southern Human Services Center by the Chapel Hill Town Council, the Carrboro Board of Aldermen, and the Orange County Board of Commissioners with regard to amending the Joint Planning Land Use Map to change the designation of the Chapel Hill Southern Transition Area to Rural Buffer.

BUDGET

Renee Dickson, Assistant County Manager, reviewed areas from the Board's December Board Retreat by discussing sections to cut the budget and areas of efficiency. She reviewed uses of fund balance, lapsed salary pool proposal, and fire department funding. She asked for staff direction on budget priorities and revenue.

Areas of interest discussed with regard to saving money were:

- An incentive awards program; Competition between County departments
- GIS routing system used for staff deployment in such a way that driving time and mileage can be reduced (i.e. Public health and Social Services)
- Bidding on fuel for County vehicles (Fuelman)
- Furnishing own gas tanks
- Buying from local vendors (Specifics placed on web site for vendor information)
- Purchase of regular gas (not premium)
- Letter to department heads to encourage elimination of unnecessary trips
- Driving small pickup trucks with camper-tops instead of large four-wheel drive vehicles
- Positive-lock, rear-end drive vehicles instead of four-wheel drives
- Incentive for 401K contributions

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FUND BALANCE:

Renee Dickson, Assistant County Manager, explained that fund balance results from receiving more revenues than what was budgeted and spending less than what was budgeted. She stated that as of June 20, 2003, Chatham County's fund balance was \$16.8 million (27% of FY 2004 expenditures); that they do not want to overestimate revenue so they are generally conservative; that some revenues (sales tax) are quite volatile; that they have avoided budgeting questionable state revenue; that expenditures are budgeted at full costs; that for positions, they budget salaries and benefits and do not predict lapsed salaries; that events occur that prevent them from spending what has been allocated; that the difference between actual revenues and actual expenditures constitute the addition to fund balance at the end of the year; that to avoid raising taxes unnecessarily, they appropriate part of the difference known as appropriated fund balance; that the fact that the County receives additional revenues and spends less expenditures is true for the entire budget; that it is not true for each revenue or for each department's expenditures; that by law, expenditures for each department cannot exceed the budgeted amount; that FY 2003 property tax exceeded budget by 2.6%; that sales tax (excluding Article 44) was under budget by 2.8%; that investment earnings were under budget by 13.2%; that Chatham County Schools were under budget by 0.1%; that Emergency Medical Services was under budget by 1.4%; that Planning was under budget by 2%; that County Extension was under budget by 13.8%; that Health was under budget by 14.3%; that by comparison, in FY 2002, counties in Chatham's population group (50,000 to 99,999) had an average of 18.36% of budgeted expenditures in fund balance; that in FY 2002, Chatham County had 29% of budgeted expenditures in fund balance; that the Chatham County Financial Policy states "one-time revenues should be used for one-time expenditures"; that the use of fund balance to one-time capital expenditures are: CIP (imaging, Central Carolina Community College appropriation, etc.), Capital reserves, Transfer to water capital reserve, non-recurring capital; that the "bottom line was projected as follows:

Projected Revenue Increase:	\$ 924,545
Projected Continuation Increases:	1,622,972
Deficit:	(698,427)

Fund Balance Usage:	
• Operating deficit:	\$ 698,427
• Fund Balance for one-time items:	1,811,000
• Total appropriated fund balance:	2,509,427

PERSONNEL SAVINGS FUND

Ms. Dickson explained that the salaries that lapse during the year are transferred to the Personnel Savings Fund at the end of the year; that operating funds (growth in revenue) are expected to fund 2% of pay increases (equivalent to a Cost-Of-Living-Adjustment [COLA]); that additional funds needed for "Pay-for-Performance" will be transferred from the Personnel Savings Fund; that at the end of FY 2004, any lapsed salaries (minus \$225,000) will be transferred to the Personnel Savings Fund; that \$260,000 (equal to 2% salary increase) will be appropriated from operating budget for FY 2005; that the remainder (1.5% or \$195,000) will be transferred from Personnel Savings Fund; and that at the end of FY 2004, lapsed salaries will be transferred to Personnel Savings Fund to pay for FY 2006 Pay-for-Performance.

Commissioner Morgan moved, seconded by Commissioner Pollard, to approve the two concepts, "Fund Balance Proposal" and "Personnel Savings Fund Proposal" as discussed. The motion carried five (5) to zero (0).

Commissioner Morgan moved, seconded by Commissioner Pollard, to give the County Manager more flexibility in the management of payroll. The motion carried five (5) to zero (0).

FIRE DISTRICTS

Ms. Dickson stated that the County requires an annual audit from the fire departments; that the Fire Marshal reviews the budget; and that the Finance Officer reviews the audit.

A discussion ensued with regard to fire departments being asked to give a certain amount of notice before the end of the fiscal year of their need to make capital purchases in excess of a certain amount of dollars.

The County Manager stated that he thought this would require a Board directive. He is to check on this matter and report back to the Board.

FUNDING PRIORITIES

Ms. Dickson reviewed a list of the funding priorities as follows:

- Paving Dunlap Parking Lot
- Improving handicapped accessibility of Dunlap and Agriculture Buildings
- Raising rent for ASC
- Additional personnel for Planning; Fund with fees
- Fee for false alarm calls
- Position to monitor wastewater system

She reviewed position expansions tied to fees as follows:

- Planning position funded by raising planning and inspection fees
- Wastewater monitoring position funded by raising environmental health fees
- Sedimentation and erosion control officer funded through program fees

By consensus, the Board agreed to the paving of the Dunlap and Agricultural Building parking lots.

Parking Spaces:

Commissioner Outz expressed a desire to designate parking spaces for citizens coming into the Tax Office to pay their taxes.

Water Districts:

Chairman Emerson stated that he was worried about the water districts; that he has had three people approach him in the last week regarding erroneous information regarding the water districts proposal; that he would like to see the correct information placed on the County web site so that it would clarify the matter for all concerned.

Stephen Talbert, Public Works Director, stated that *The Sanford Herald* had run a free advertisement in reference to the above matter. He asked that additional meeting dates be set on the proposed water districts to that mailings can be completed in a timely manner.

ADJOURNMENT

Commissioner Atwater moved, seconded by Chairman Emerson, that there being no further business to come before the Board, the meeting be adjourned. The motion carried five (5) to zero (0), and the meeting was adjourned at 2:55 PM.

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Thomas J. Emerson, Chairman

ATTEST:

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