

MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
WORK SESSION
MARCH 19, 2012

The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina met in the Agricultural Building Auditorium, 45 South Street, Pittsboro, North Carolina at 2:00 PM on March 19, 2012.

Present: Brian Bock, Chairman; Walter Petty, Vice Chair;
Commissioners Mike Cross, Sally Kost, and Pamela Stewart

Staff Present: Charlie Horne, County Manager; Jep Rose, County Attorney; Renee Paschal, Assistant County Manager; Vicki McConnell, Finance Officer; Sandra B. Sublett, Clerk to the Board; and Lindsay Ray, Deputy Clerk to the Board

Work Session

1. **Public Input Session**
2. **Update on DCHC MPO Population and Employment Projections**
3. **Economic Development Corporation Update**
4. **OPC Mental Health:** Receive update and vote on a request to adopt Resolution of the Boards of County Commissioners of Alamance, Cabarrus, Caswell, Chatham, Davidson, Franklin, Granville, Halifax, Orange, Person, Rowan, Stanly, Union, Vance, and Warren Counties
5. **Resolution Authorizing Condemnation to Acquire Certain Property:** Vote on a request to approve a **Resolution Authorizing Condemnation to Acquire Certain Property**
6. **Update and Discussion of Jail Operating Costs:** Give staff a decision on whether to proceed with the jail project based on revised operating costs
7. **Discussion of funding of arts organizations:** Decide on how to fund arts organizations and give staff direction on the funding for the Arts Incubator/community college lease
8. **Closed Session to discuss matters within attorney/client privilege**

CALL TO ORDER

The Chairman called the meeting to order at 2:04 PM.

PUBLIC INPUT SESSION

Randy Voller, 21 Randolph Court, Pittsboro, NC, stated the Town of Pittsboro Board passed a resolution regarding hydraulic fracturing requesting the State of North Carolina take adequate time on this matter. He asked that the resolution be passed to the Chatham County Environmental Review Board.

Mr. Voller stated that he hopes the Board of Commissioners will consider working with the Town of Pittsboro to improve the fire flow and hydraulic capacity in the circle and south of Highway 15-501. He stated that their board had asked the Pittsboro Town Manager to talk with the County Manager and the Public Works Director about the County hooking up to the Pittsboro waterline. He also asked about connecting the waterline between Siler City and Pittsboro.

Mr. Voller stated that he supported the idea of an arts center in Pittsboro; that there seems to be broad-based support for it; and that they would like to have that conversation.

Charlie Horne, County Manager, stated that they are in on-going discussions about the waterline hook-up. The bids are due in April. Their discussions include how the County might assist with some of their capital projects. He stated that the pressure issue is now being addressed with a pump that will be put in place. If they can get sufficient circulation that a pump is not needed, they may be able to utilize some of the money from contingency. He stated that they had discussed, with the Town's Manager, the possibility of paying for the allocation for the jail up-front so they could use those fees to help off-set between the gap and their funding.

Lesley Landis, 21 Randolph Court, Pittsboro, NC, presented her comments to the Board and provided them in their entirety for the record as follows:

“First, I want to make sure everyone knows about ChathamArts’ annual signature event, called ClydeFEST happening on Saturday, April 14 from 11am-4pm at the Bynum Ballfield. The 11th Annual ClydeFEST Kids Carnival of Folk-Art Fun celebrates the life and art of Bynum resident and self-taught folk artist, Clyde Jones. ClydeFEST offers live music, local food, hands on art activities and a day of fun for kids of all ages. Please join us!

Second, I want you all to know how important ChathamArts’ partnership with the Chatham County Economic Development Corporation has been to our arts organization.

At the Chatham County Arts Council, we promote the arts as an economic development magnet, with the assertion that a community with a vibrant arts scene attracts businesses, enriches educational opportunities, builds community, and enhances livability. Funding from the County funneled through the EDC has been essential to ChathamArts’ growth as a more stable organization – both professionally and financially. We are now better able than ever to meet our mission of augmenting core curricula in local schools through student scholarships, exhibits, after school outlets, and classroom residencies. We can also continue to help develop and reward the talents of Chatham’s artistic residents and their creative efforts through various grants and scholarships. Our Sustainable Cinema Series and events like ClydeFEST draw regional media attention and the tourism dollars that follow.

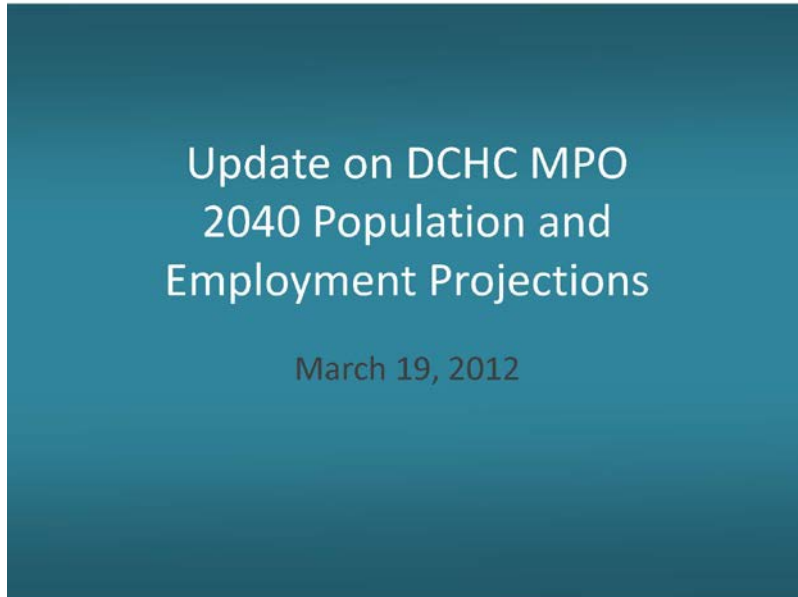
ChathamArts is also getting very positive attention from outside Chatham from such highly situated individuals as Linda Carlisle from the NC Department of Cultural Affairs as well as from both Mary Reagan of the North Carolina Arts Council and her colleague Nancy Trovillion who says ‘Chatham County is an Arts Goldmine’.

Thanks to you, the EDC, and a lot of hard and smart work from ChathamArts’ single staff member and dedicated volunteers, ChathamArts – your county’s arts council – is helping to shine a bright, positive light on Chatham County. Our agency is better poised than ever before to thrive and grow. I ask you to please continue your support of our work via funding through the Chatham County Economic Development Corporation.

Thank you.”

DCHC / MPO POPULATION AND EMPLOYMENT PROJECTIONS UPDATE

Melissa Guilbeau, Sustainable Transportation Planner, presented an Update on DCHC MPO 2040 Population and Employment Projections with a PowerPoint as follows:



Durham-Chapel Hill-Carrboro Metropolitan Planning Organization

- Regional transportation planning – federal requirement
- Governed by elected officials from local governments
Transportation Advisory Committee (TAC)
– Chatham 1 of 15 votes

The MPO has significant influence over ALL transportation projects in this part of the county.

2040 Long Range Transportation Plan

- Will recommend **specific** transportation projects
- Based on a set of population and employment projections

What transportation projects will we need by 2040 to compliment the population and employment we think we will have?

What this means for Chatham...

- In future calls for transportation projects, only projects listed in the LRTP will be proposed

For example, safety improvements on Jack Bennett Rd: recommended in 2035 LRTP, recently proposed for funding

Imagine 2040

The result of this process will be...
 a 2040 population and employment number
 for each Traffic Analysis Zone (TAZ)

- These projections will feed into the Triangle Regional Model (TRM)

Imagine 2040 – Process Overview

First: project population and employment for entire area

Next: allocate population and employment projections to each TAZ

Year	Inside TRM	Outside TRM	Total
2010	~40,000	~20,000	~60,000
2040	~45,000	~26,672	71,672

Year	Inside TRM	Outside TRM	Total
2010	~10,000	~5,000	~15,000
2040	~15,000	~4,509	19,509

Ben Howell, Assistant Planner, explained “Allocating Growth” and continued with the PowerPoint as follows:

Allocating Growth

CommunityViz Scenario Planning software

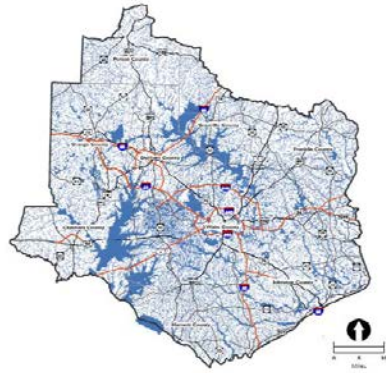
- Uses GIS data & user inputs to decide where to allocate growth
 - Carrying Capacity
 - Development Status
 - Land Suitability

Carrying Capacity

What lands are off-limits due to environmental constraints?

- Based on GIS data:
 - National Wetlands Inventory
 - Local Stream Buffer Setbacks
 - Water Bodies
 - Permanent Conservation Lands

Imagine 2040 - Triangle Region Scenario Planning Initiative



Regional Composite Map - Carrying Capacity Analysis



Development Status

Which parcels are under- or undeveloped?

- Based on aerial photos, parcel data & local knowledge
 - Undeveloped
 - Under-Developed
 - Developed
 - Agriculture
 - Permanent Open Space

Imagine 2040 - Triangle Region Scenario Planning Initiative



Regional Composite Map - Development Status Assignments



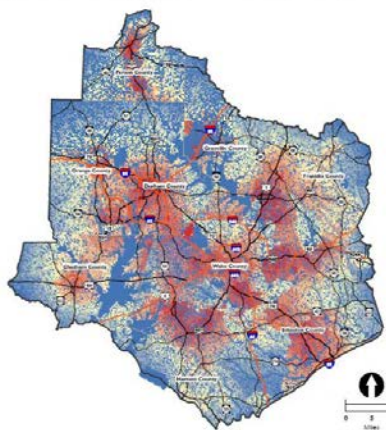
Growth allocated to under- and undeveloped parcels.

Land Suitability

What parcels are most attractive for new development?

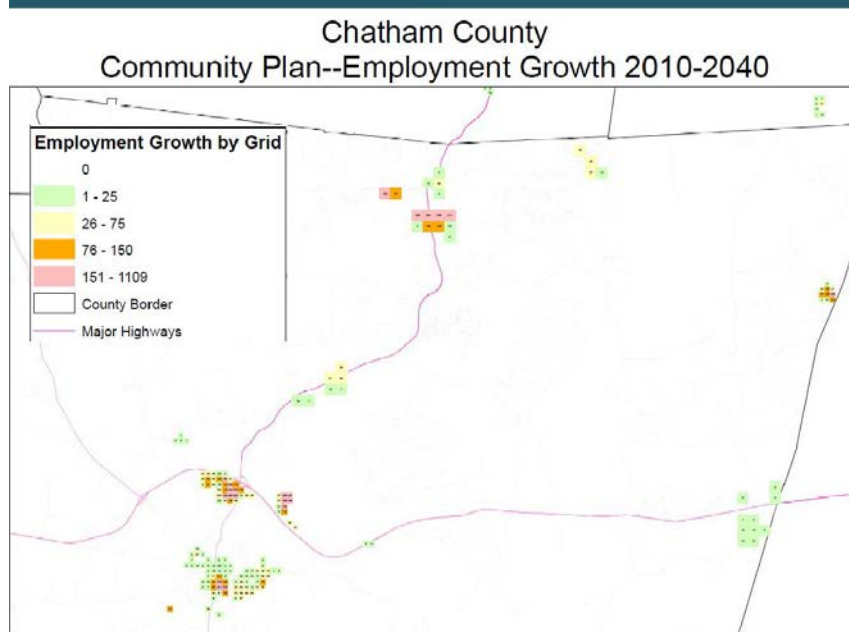
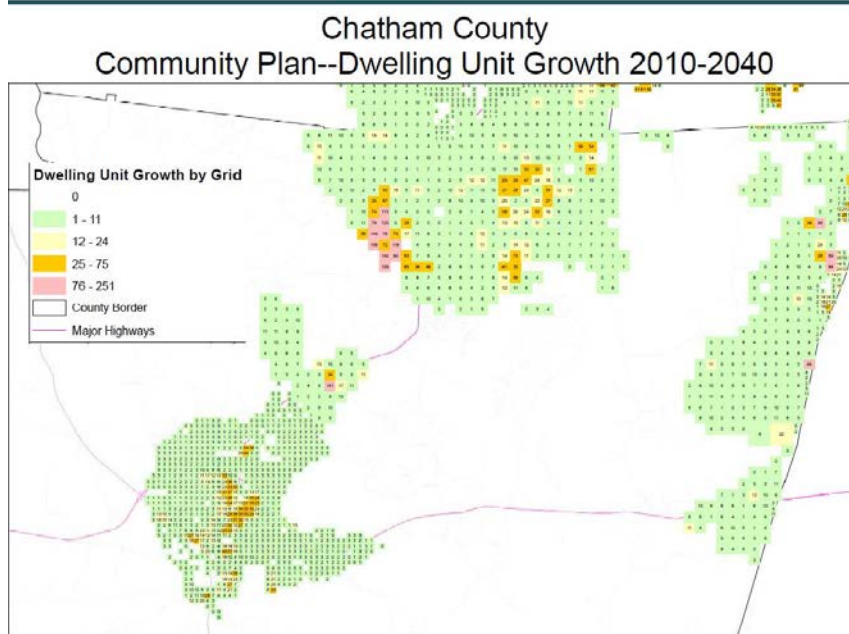
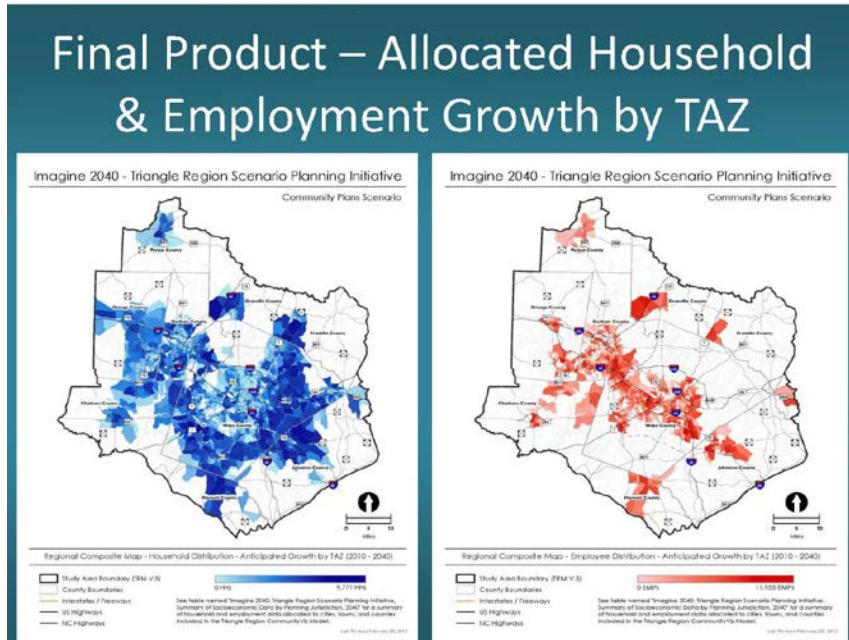
- Each parcel gets a Suitability Score from 0–100
 - Carrying Capacity
 - Development Status
 - 20+ contributing factors

Imagine 2040 - Triangle Region Scenario Planning Initiative



Regional Composite Map - Land Suitability Analysis - Not Normalized





Next Steps & Questions

- Public workshop in Pittsboro, April 2012
- Develop and Adopt LRTP using Imagine 2040 population and employment data, fall 2012

Melissa Guilbeau

Transportation Planner

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Benjamin Howell

Planner

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919-542-8276

Ms. Guilbeau discussed the objective and answered questions from the Board, assisted by Mr. Howell.

Commissioner Kost asked if staff would let the Board know when the next meeting in April is to be held.

ECONOMIC DEVELOPMENT CORPORATION UPDATE

Dianne Reid, Chatham County Economic Development Corporation President, gave an update on economic development and presented a PowerPoint as follows:



Chatham County Board of Commissioners

Work Session, March 19, 2012

Dianne Reid

President, Chatham EDC

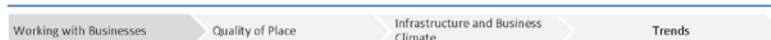


Mission Statement

Building on the County's strategic location between the Triad and Triangle, we are positioning Chatham as the preferred location for emerging growth companies.



WORKING WITH BUSINESSES

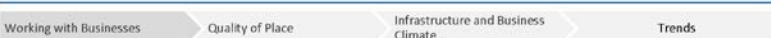


Attraction

	2011 Actual	2012 Target	Through 1/31/12
Number of new clients locating in Chatham County	3	3	4
Number of new jobs created by new businesses	80	150	156
Value of jobs created (measured by annual payroll)	\$2.89M	\$3.0M	\$3.64
Capital investment by new client firms (millions of dollars)	\$11.4M	\$15M	\$2.5M



Acme-McCrary





Value Outsourcing Solutions



Working with Businesses Quality of Place Infrastructure and Business Climate Trends



Alpha-Install



Hayes Iron and Metal



Working with Businesses Quality of Place Infrastructure and Business Climate Trends



Retention

	2011 Actual	2012 Target	Through 1/31/12
Number of expanding businesses assisted	8	4-5	9
Number of jobs created through expansion	63	75-125	220
Value of jobs created (measured by annual payroll)	\$2.27M	\$2.25-4M	\$5.73M
Capital investment by expansion of existing businesses	\$7.6M	\$5.3M	\$129.3M

Working with Businesses Quality of Place Infrastructure and Business Climate Trends



Lazar Industries



Working with Businesses

Quality of Place

Infrastructure and Business
Climate

Trends



Galloway Ridge



Working with Businesses

Quality of Place

Infrastructure and Business
Climate

Trends



Strata Solar



Working with Businesses

Quality of Place

Infrastructure and Business
Climate

Trends



Entrepreneurship

	2011 Actual	2012 Target	Through 1/31/12
Number of aspiring entrepreneurs assisted	67	60-100	81
Number of jobs created by entrepreneurs and start-up businesses	54	100	45
Value of jobs created (measured by annual payroll)	\$1.94M	\$5.4M	\$1.62M

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UnWINEd



Working with Businesses Quality of Place Infrastructure and Business Climate Trends



Small B&B Cafe



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Organizational Goals

	2011 Actual	2012 Target	Through 1/31/12
Percent of EDC funding from non-County revenue sources	50%	40%	41.7%
Number of volunteers involved in EDC teams and committees	100	120	180
County cost per job created	\$1,718	\$1,300	\$804*
New capital investment per County investment	\$56.15	\$60	\$390*

*Based on total year allocation



QUALITY OF PLACE



Siler City & NC STEP



Pittsboro & Small Town Mainstreet



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Branding Implementation



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INFRASTRUCTURE AND BUSINESS CLIMATE

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Infrastructure & Business Climate

- Pre-Application Meetings
- Goldston
- Pittsboro
- Siler City



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Product Development

Absorbed:	387K (Joan)
	280K (Jennifer)
	63K (84 Lumber)
	<u>15.5K</u> (Pitts. Chev)
Total :	745.5K
Demo:	<u>53K</u> (Pilgrims)
TOTAL:	798.5K


New Product Development:
 Chatham Park
 Highway 421 Corridor
 Boras/Griffin Site
 Central Carolina Business Park

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TRENDS


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Annual Survey of Corporate Executives (Area Development)

- 30% plan to open new facilities or expand
- 27% plan to increase hiring
- Of those with relocation plans:
 - 40% cite high taxes
 - 25% cite excessive govt. regs, high labor cost, need for proximity


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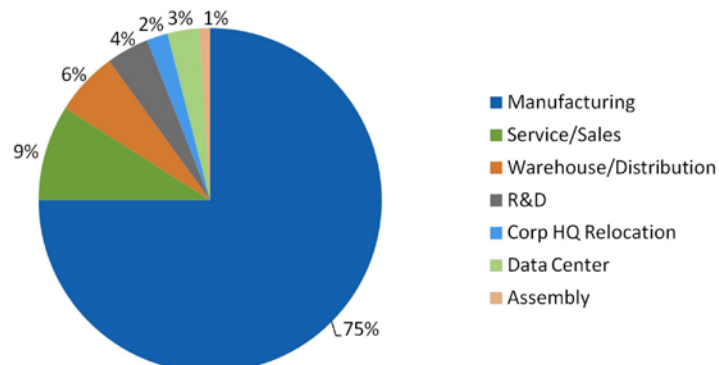
Annual Survey of Site Selection Consultants (Area Development)

- 38% have clients who intend to open new facilities or expand
- Domestically:
 - 25% of facilities will be manufacturing
 - 25% will be warehouse/distribution
 - 10% headquarters
 - 10% data centers

Working with Businesses Quality of Place Infrastructure and Business Climate Trends



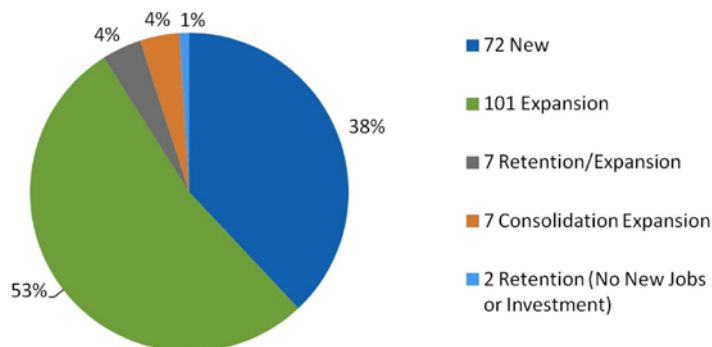
2011 Project Assignment by Activity (NC Commerce)



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2011 Announcements by Project Type (NC Commerce)

189 Announced Projects



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Recent Projects

- Large number of expansions
- Attraction
 - Foreign companies
 - Looking for existing buildings
 - Labor force important
 - Manufacturing
 - Proximity to markets critical

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Contact

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www.chathamedc.org



Ms. Reid concluded with some trends seen at the national, state, and local levels in terms of businesses looking to relocate and expand and different types of entrepreneurship.

Ms. Reid answered questions from the Board.

Commissioner Petty asked what the Board needed to do to have an impact and focus on to make Chatham County even more attractive.

Ms. Reid suggested talking with our Legislators regarding business tax structure.

Joe Glasson, Chatham County Economic Development Chairman, stated that the mid-year report of the EDC relative to what they all do together, meets and exceeds but it is not enough. They are now focusing on execution because they see where a lot of people are considering relocating to the southeast, they want to be there, and execute properly in a manner that they should. They have a small strategic planning team to review the previous strategic plan, but are now focusing on the execution process. He stated that the key to the process is that the towns and the County are working together. They need to make a collaborative effort to get the private sector working with the public sector.

Commissioner Kost expressed concern in that if the County becomes a mining site for natural gas and hydraulic fracking, what impact it would have on the County branding, quality of place, and the recruitment of businesses.

Mr. Glasson responded that the EDC has not taken a position and that they have deferred to the Board of Commissioners and the state.

OPC MENTAL HEALTH

Judy Truitt, Area Director/CEO of Orange Person Chatham Mental Health, Developmental Disabilities & Substance Abuse Authority, provided a brief overview of mental health reform from 2001 to the present. Ms. Truitt indicated that a current issue being reviewed is how governance will be structured for the new managed care organizations that will be created across the state. She presented the *OPC Mental Health Resolution Regarding Governance for Consolidated Public Mental Health Entity Operating as a Managed Care Organization*. Ms. Truitt reported that North Carolina General Statute currently allows Boards of County Commissioners to establish governance for local mental health authorities by two means. The first would be an area board created by participating Board(s) of Commissioners following appointment guidelines defined by statute. The second option allows Boards of Commissioners to create a governance board with membership that differs from the specific requirements defined by statute with agreement of all participating counties. The second option led to the development of the proposed model described in the Resolution currently before the Board(s) of Commissioners.

Ms. Truitt reported that the proposed model would establish a local oversight board that would be appointed by Boards of County Commissioners, and a Governance Board that would have local representation, as well as subject specific experts. The alliance of counties with whom OPC will be partnering in the future believes that this model is the best mix of both local involvement and realistic governance for a managed care organization.

Ms. Truitt reported that the Resolution had been passed by the Person County Board of Commissioners on Monday, March 12, 2012. She further indicated that the Resolution had been reviewed by Orange County Board of Commissioners at their evening work session on Thursday March 15, 2012 and was expected to be voted on at their regular meeting on Thursday March 22, 2012.

Commissioner Kost asked for clarification about Medicaid waivers. Ms. Truitt responded that the Social Security Act of 1965 allows states, with permission of the Centers for Medicare and Medicaid, to waive certain rules in the Medicaid system. North Carolina has applied for and been approved to establish a mental health/substance abuse waiver, as well as a concurrent waiver related to intellectual and developmental disabilities. Ms. Truitt

indicated that implementation of the Medicaid waiver will return management of Medicaid funding to the local systems, which currently has responsibility for management of state-funded services. This will allow the local system to maximize all resources for the provision of behavioral healthcare services. Ms. Truitt provided the example of “closing or right-sizing” the provider network as a rule that could be “waived” in the new system.

Joint Resolution of the Boards of County Commissioners of Alamance, Cabarrus, Caswell, Chatham, Davidson, Franklin, Granville, Halifax, Orange, Person, Rowan, Stanly, Union, Vance and Warren Counties

Commissioner Cross moved, seconded by Commissioner Stewart, to adopt **Joint Resolution #2012-08 of the Boards of County Commissioners of Alamance, Cabarrus, Caswell, Chatham, Davidson, Franklin, Granville, Halifax, Orange, Person, Rowan, Stanly, Union, Vance and Warren Counties**, attached hereto and by reference made a part hereof. The motion carried five (5) to zero (0).

BREAK

The Chairman called for a short break.

JAIL OPERATING COSTS UPDATE AND DISCUSSION

Renee Paschal, Assistant County Manager, discussed jail operating costs and whether to proceed with the jail project as follows:

The Approved 2013-2019 Capital Improvements Program (CIP) included construction of a new \$15 million jail scheduled to open in March 2014. Annual operating costs were projected at between \$1.6 and \$1.7 million (expenditures minus revenues) based on staffing for direct supervision, a more intensive type of inmate supervision where detention officers are stationed within cell blocks. At the February 20, 2012 meeting, the Board of Commissioners requested that the operating costs of the new jail be trimmed significantly.

In order to cut costs significantly, the Sheriff’s Office has modified the staffing plan. The biggest change from the original plan is using indirect supervision, where detention officers observe inmates from a central control room and make rounds as required by jail standards. This method of supervision is believed to be less effective overall in managing the population, but requires less staffing. The cell blocks will still be constructed so that direct staffing can be added later when operating funds are available.

The Manager’s Office also ran three scenarios for housing outside inmates including:

- Housing no outside inmates
- Opening one cell block to house 15 inmates
- Running the jail at 85% capacity and housing 46 outside inmates

As the table below shows, the most cost-effective option is opening one cell block and housing 15 outside inmates. Costs are lower for this option because it does not require addition staffing

	<i>FY 12</i>	<i>0 Outside Inmates</i>	<i>15 Outside Inmates</i>	<i>46 Outside Inmates</i>
Total Number of Inmates	51	70	85	116
Number of Outside Inmates	0	0	15	46
Personnel & Benefits	1,194,740.00	2,099,232.11	2,099,232.11	2,503,818.46
Operating	468,073.56	707,809.62	835,438.21	1,024,272.47
Less Revenue		0.00	(219,000.00)	(570,860.00)
Total	1,662,813.56	2,807,041.74	2,715,670.32	2,957,230.93
Net Increase over FY 12		1,144,228.18	1,052,856.76	1,294,417.37

At the budget retreat, staff presented information that an additional one-cent will be needed in FY-2013 for the capital facilities reserve to fund debt service on the jail.

Currently, the County is spending funds to plan for the jail. Expenditures include project management, architect, engineering, surveys, etc. To date, approximately \$450,000 has been spent. As of the end of February, the architect had completed 50% of construction documents. The project is expected to be bid around July 1, 2012.

If construction is delayed, the project will most likely cost more in the future and the budget will likely have to be increased or the scope of the building reduced.

A discussion ensued regarding direct and indirect staffing, costs, transportation costs of inmates because of site selection (landfill) of the jail, usability of the plan in the future if construction is put on hold,

Commissioner Kost questioned whether the tax base growth in the County (Galloway Ridge, Carolina Meadows, etc.) could pay for the new jail and operating costs. She stated that she did not like indirect supervision and would not support not going forward with the project.

Commissioner Petty asked if a decision was critical at this point.

Ms. Paschal stated that they need to come up with a transition plan explaining that they would proceed full-force as if they are planning to bid the project in July.

Discussion continued regarding spending money that the County doesn't have.

Commissioner Cross stated that he felt the Board needed to proceed with the bidding in July.

Commissioner Stewart stated there was no doubt the jail was needed, but that she is concerned about paying for it.

Chairman Bock stated that they know school costs are going to rise and they know they have to build a high school at some point; however even though he feels the jail needs to be built, he doesn't want to cut the costs to make it affordable at this point. He stated he would probably be in favor of holding off.

Ms. Paschal stated that the operating costs were projected to hit the budget in FY-2014, a year from the budget that is presently being worked on.

Further discussion ensued with regard to sending and housing inmates outside of Chatham County and the associated costs. Ms. Paschal stated that the Sheriff's Office had really worked hard to not do that.

Commissioner Kost asked if in the building world, the architect did some type of projection of construction costs and looking at current trends. She stated that she would hate to delay the building and then it cost considerably more when it was built in a couple of years. Ms. Paschal stated that it was hard to project several years out as they are now seeing escalation in the market.

General consensus by the Board was that the jail was needed; however, discussion continued with regard to how it would be paid for.

Sheriff Webster stated that the jail was not a popular thing; however, with a thirty-year-old facility, they are now at the point where the inmate population may explode and the County will be forced to house inmates outside of the County; that he felt the jail was definitely needed; and that it was a safety issue, not only for the inmates, but for his staff and the conditions they work in. He stated that they send "sentenced" prisoners out-of-the-County, but have not yet sent out pre-trial prisoners under the new judicial act.

Chairman Bock asked if it was better to build something conceptionally now and try to save the operating costs by having more indirect supervision or wait a couple of years and build it with direct supervision.

Sheriff Webster stated that he would rather take it now with indirect supervision; that it is not where they want to go; they want to go with direct supervision, but it could be added later. He stated that they had asked the architect to design the facility as a square, having the option to build it in at a later date.

Ms. Paschal explained that there was no alternate for housing identified. She stated that she was uncertain as to the time it would take get an option for “shelling” the facility; however, “shelling” the housing space would not save the operational costs. They had planned to open the number of housing units they needed to manage the population of the jail plus the additional housing units to receive outside inmates for which the County would receive \$40.00 per day; the variable costs are less than \$40.00 per day; as long we don’t have the additional staffing costs, the County actually makes revenue from the proposition.

Capt. Roberson stated that there had been a population dip in the last month or so; they had been averaging 48-51 inmates per day over the last year.

Chairman Bock asked, with that population and assuming small growth from this year to next, if we have enough staff that we could safely, directly and indirectly, supervise that number of inmates. Ms. Paschal replied, no. We need more people, even with the same population.

Sheriff Webster stated that one of the most difficult things they have in the current facility is being able to segregate people for different reasons.

Capt. Roberson explained that state law says that no person may be confined in a county jail unless custodial personnel are present and available to provide continuous supervision. Because the building is larger, personnel cannot perform dual duties. He presented a PowerPoint on new jail staffing needs as follows:



N.C.G.S. 153A-224(A).

- ✘ North Carolina law provides that "No person may be confined in a (county jail) unless custodial personnel are present and available to provide **continuous supervision**... ."

N.C.G.S. 153A-224(A).

- ✘ Must supervise inmates closely enough "to maintain safe custody and control and to be at all times informed of the prisoners' general health and emergency medical needs."
- ✘ Officers shall not be assigned other duties that would interfere with the continuous supervision, custody or control of inmates.

CONSTITUTIONAL DUTY

- ✘ We also have a constitutional duty
 - + To Supervise
 - + To Protect

- ✘ There are serious consequences for failing to fulfill these duties.

INMATE VIOLENCE

- ✘ Causes that contribute to violence among inmates:
 - + Overcrowding
 - + Inadequate supervision
 - + Failure to implement an inmate classification system

- ✘ These causes are exponentially interlinked.

CLASSIFICATION

- ✘ Classification is a systematic process for determining the needs and characteristics of inmates.
- ✘ Classification determines the degree of supervision required to control each inmate to maintain safety and security of the detention facility and community.

CLASSIFICATION OF OFFENDERS

- ✘ Sex
- ✘ Age
- ✘ Legal status
- ✘ Medical issues
- ✘ Suicidal
- ✘ Violent
- ✘ Escape Risk
- ✘ Mental illness
- ✘ Mental retardation
- ✘ Physical disabilities
- ✘ Homosexual
- ✘ Sex offender
- ✘ Protective custody

SUPERVISION - DIRECT VS. INDIRECT

- ✘ A direct supervision jail differs from the conventional approach (indirect) because the officer is stationed inside the housing unit.
- ✘ Direct Supervision encourages direct interaction between staff and inmates to prevent negative inmate behavior.

SUPERVISION ROUNDS (MINIMUM TWICE/HOUR)



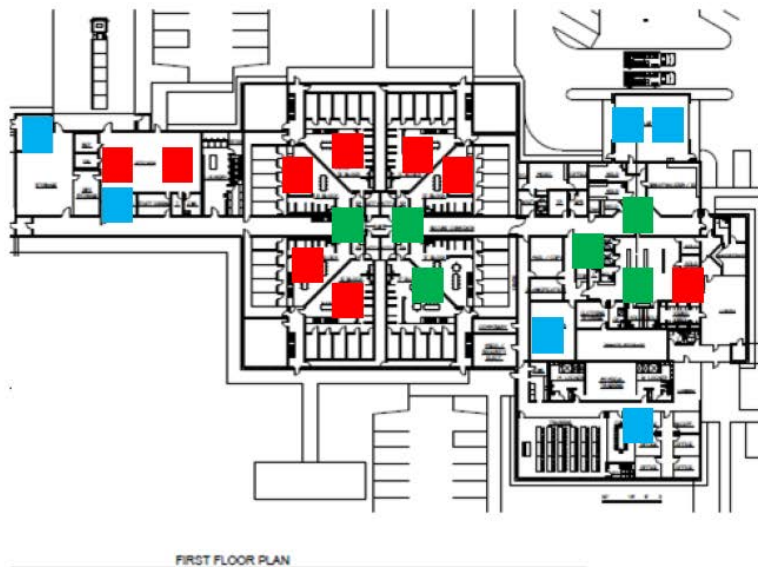
“Officers shall make supervision rounds and **directly observe** each inmate in person at least twice per hour on an irregular basis.”

SUPERVISION ROUNDS (MINIMUM FOUR/HOUR)

- ✘ Physically hitting or trying to hit; or
- ✘ Being verbally abusive; or
- ✘ Stating he will do harm to himself; or
- ✘ Intoxicated,
 - + .15 on a breathalyzer
 - + displaying slurred speech
 - + smelling of alcohol
 - + inability to control body movement; or
- ✘ Erratic behavior
 - + screaming,
 - + crying,
 - + laughing uncontrollably, or
 - + refusing to talk at all.
- ✘ Record of a suicide attempt or
- ✘ Record of mental illness.”

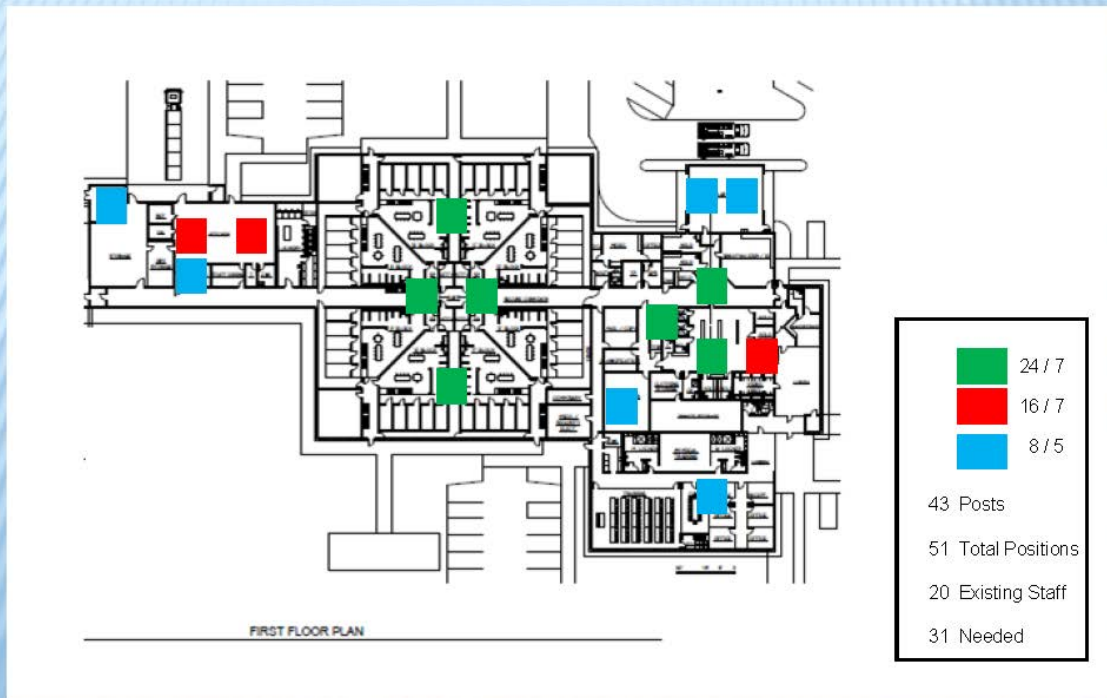
10A NC Administrative Code 14J .0601

DIRECT SUPERVISION- FULL CAPACITY

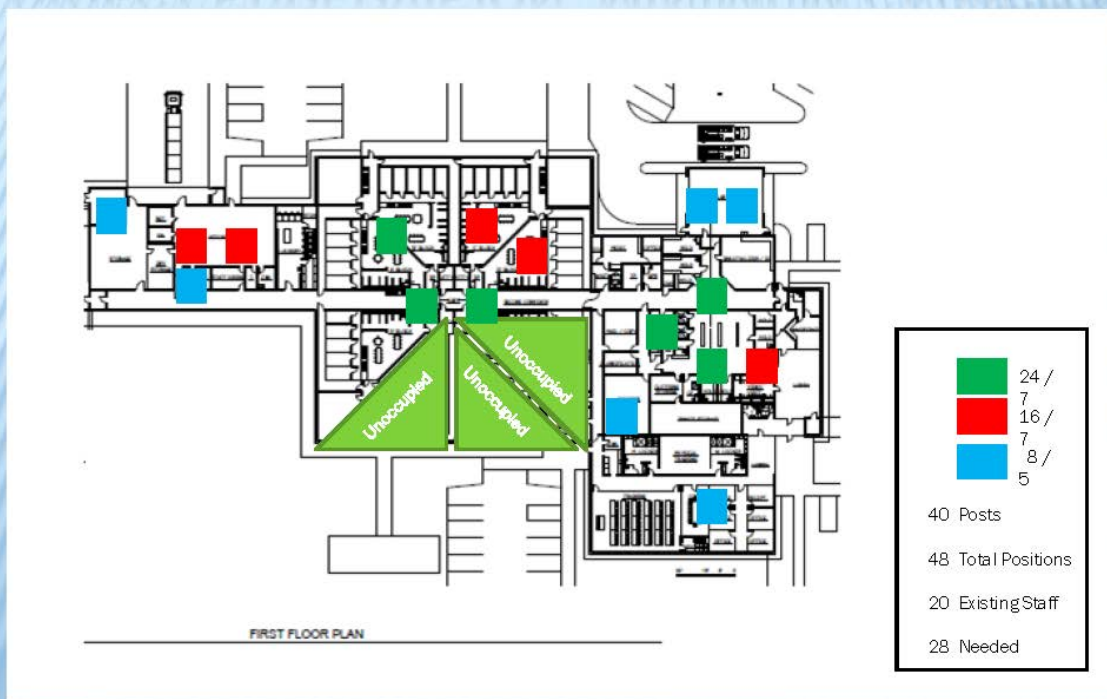


Green	24 / 7
Red	16 / 7
Blue	8 / 5
48 Posts	
59 Total Positions	
20 Existing Staff	
39 Needed	

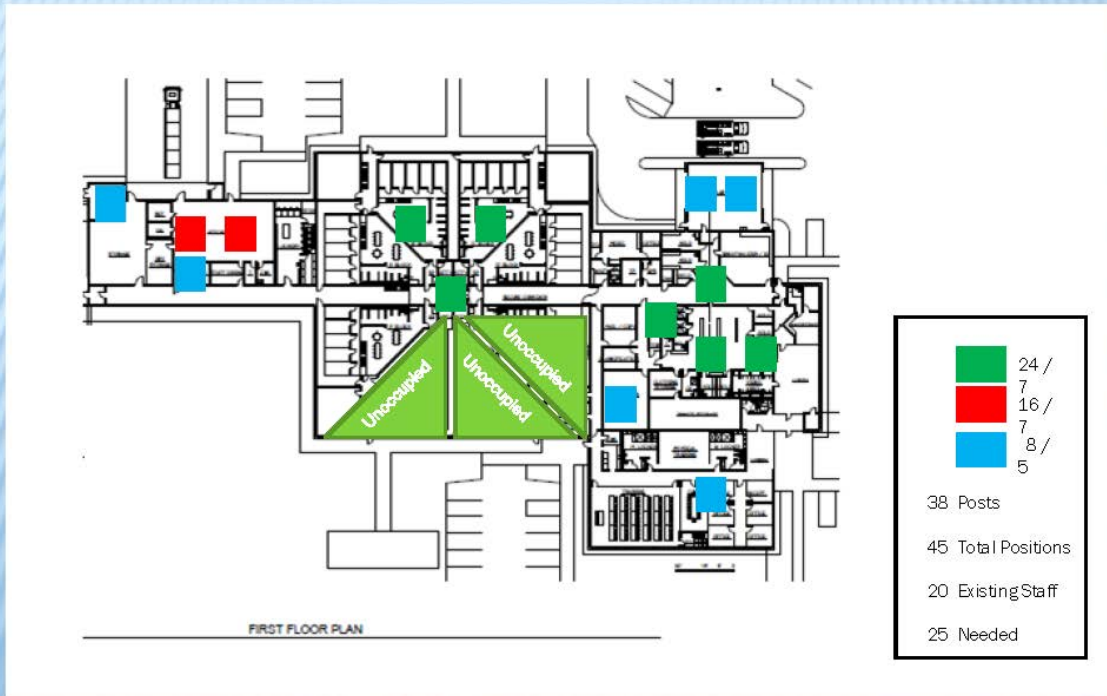
INDIRECT SUPERVISION- FULL CAPACITY



DIRECT SUPERVISION- MINIMUM CAPACITY



INDIRECT SUPERVISION- MINIMUM CAPACITY



OPTIONS FOR STAFFING NEEDS

- ✘ Full Capacity-Direct 38 Positions
- ✘ Full Capacity-Indirect 31 Positions
- ✘ Minimum Capacity-Direct 28 Positions
- ✘ Minimum Capacity-Indirect 25 Positions

Chairman Bock asked if they proceed with the assumption that we are going with the \$1.05 million in operating costs scenario and it takes a year to build a jail, if by then they would know what other revenue they have and could make adjustments at that time.

By consensus, the Board agreed to proceed with the jail project and bid work. The bid will include bid alternates to assess breadth of the construction. Depending on the bid prices, the county may have to prioritize what can be constructed and what may have to be added at a later date. Jail oversight will be accomplished by indirect supervision.

ARTS ORGANIZATIONS

Ms. Paschal explained that Beginning in FY 2010, arts organizations were removed from the nonprofit allocation process and funded through the Economic Development Corporation (EDC). This change occurred because 1) the County's nonprofit process favors human service agencies and arts organizations are at a competitive disadvantage, and 2) both organizations missed the deadline for funding through the regular nonprofit process.

	<u>Chatham Arts</u>	<u>NC Arts Incubator</u>	<u>Capacity Building</u>
FY10	12,500	12,500	10,000
FY11	15,000	15,000	5,000
FY12	14,250	-0- not requested	2,250

Dianne Reid, Economic Development Director, stated that the specifics last year, with Executive Service Corps, were done in consultation with the boards of the various organizations. The Incubator technical assistance through Executive Service Corps was to hire an executive director, help with writing the job description, recruiting, and developing the questions. Fund raising was the Chatham Arts' priority, and they were successful. She stated that the Arts Incubator was able to hire an executive director.

Ms. Paschal stated that in FY 10, Chatham County provided \$10,000 to EDC for arts funding. The balance (\$25,000) was provided from EDC's fund balance. In FY 11, the County increased EDC's budget by \$25,000 to cover the funding.

In FY2010, the EDC engaged a UNC Masters of Public Administration graduate student to assess the County's two major arts organizations and make recommendations to strengthen both with the goal of furthering Chatham as an arts destination. A report was developed that detailed the current state of the arts organizations and provided preliminary recommendations for measuring their economic impact, for successful fundraising, for collaboration, and for sustainability. While ChathamArts readily adopted suggestions, NCAI resisted many, suggesting that the work would be too burdensome without paid staff.

In addition to providing funding in FY 11, EDC engaged the Executive Service Corps to work with both agencies to build organizational capacity. The scope of work was tailored to each organization's needs. Goals for the Incubator included:

- Assisting a search committee of the Incubator board in all aspects of hiring an Executive Director (developing a job description, advertising, reviewing applications, and selection)
- Developing a plan for board development, such as board member recruitment, committee structure, and general board operations
- Reviewing current fund raising plans with the board

The ESC made recommendations regarding board development, including providing job descriptions for typical non-profit board committees. In the end, the only assistance the Incubator board chose to pursue was help with the Executive Director search, which was completed in May 2011.

In FY 12, the NC Arts Incubator did not apply for its reserved funding. Following that action, the amount reserved for NC Arts Incubator was cut from EDC's budget as part of the reductions requested from departments.

At the FY 13 retreat the Board of Commissioners directed that EDC reduce its budget by \$80,000. The EDC has proposed that one of its cuts be the remaining funding for arts

organizations in the amount of \$16,500. In addition, NC Arts Incubator has also submitted a request for FY 13 funding even though its reserved funds were cut last year when the agency did not request them.

Also during the FY 13 retreat the Board of Commissioners asked that the funding for Central Carolina Community College's (CCCC) lease of NC Arts Incubator be cut (\$68,513, including \$45,000 in rent, \$12,000 in janitorial, and \$11,513 for utilities). Independently, CCCC decided to end the lease with NC Arts Incubator for several reasons, including:

- The lease expires in September 2012
- CCCC has a new facility in the Central Carolina Business Park
- The certificate pottery program can no longer be offered because of low enrollment
- Utility costs are relatively high because of the condition of the building

Since this decision was reached, additional circumstances have come to light. The impact of this decision on the NC Arts Incubator is significant, if not dire.

Apparently, when the initial lease with the college was done, the incubator borrowed a substantial amount to up fit the space. Based on incubator director's discussions with Dianne Reid, a balloon payment will be due next February on the remaining loan balance (approximately \$339K). Without a tenant, such as the college, it is very unlikely that the loan will be refinanced. In addition, the rent represents approximately 33% of the Incubator's total revenue and the college pays all of the utilities for its building.

Additional concerns with the Incubator's situation include the existence of another loan (the agency's FY 2010 financial review shows total long-term debt of \$482,656), the agency not complying with EDC's recommendations, and its decision not to apply for funding in FY 12 (even though funds were specifically set aside for the Incubator).

Ms. Paschal answered questions from the Board.

Ann Bass, NC Arts Incubator Director, answered questions regarding the remaining loan payment, balloon payment due next February, and restructuring of the business loan.

Chairman Bock voiced concern that the programs had not been developed within the past ten years and why the bank had made the loan. He stated that from the information he had, it looks like the bank made a loan that wasn't very sound; and that the Incubator thought the community college was going to be there forever.

Commissioner Kost stated that a year ago, she had supported cutting funding for the Incubator. She raised the question during the budget and was told by staff that there was another year on the lease. She stated that if the Board didn't provide some funding, and perhaps the Town of Siler City match, there is a strong likelihood that the Incubator will close, and the main attraction in Siler City is the arts.

A discussion ensued with regard to the occupants of the Incubator store fronts, repercussions of losing the Incubator and the impact it is going to have on Siler City.

Ms. Bass stated that they have been working hard to turn it into a center for creativity and entrepreneurship knowing that the Board had rather fund programs than operating costs. She stated that they had asked for \$65,000 which would be used for a staff person to develop a program to make it work financially and sustainably.

Ms. Paschal stated that they looked at the Incubator's administrative costs; and they would be eligible for \$13,500 in administration funds had they continued through the process.

Ms. Bass was asked how they planned to pay the \$339,000 balloon payment even if the rent was paid. Ms. Paschal stated that they would refinance based on the lease.

Ms. Paschal asked for direction related to funding arts organizations as follows:

- First, will the Board allow the EDC to make its targeted cut by eliminating funding for arts organizations? If yes, does the Board agree with placing Chatham Arts and the NC Arts Incubator in the nonprofit allocation process or does the Board want some other process? (Both agencies received funding for administration, so if they are placed in the nonprofit process, their funding for administration would be capped at \$13,500 for FY 2013.)
- Second, if the Board does not allow EDC to make its targeted cut by eliminating funding for Chatham Arts, how should the request from NC Arts Incubator be handled: through the regular nonprofit allocation process or through some other process?
- Third, does the Board want to revisit the direction to cut the lease allocation for Incubator space? The college has said it will abide by the decision of the County and can offer some programming in the space if the lease is renewed.

Further discussion ensued.

Commissioner Petty moved, seconded by Commissioner Stewart, to allow the EDC to make its targeted cut by eliminating funding for arts organizations. The motion carried three (3) to two (2) with Commissioners Cross and Kost opposing.

Ms. Paschal confirmed the assumption that both agencies will go into the nonprofit process. She stated that 50% of the evaluations are done through the department check list and is the interface between the department and the agency. If they are in the County's nonprofit, they would assign those agencies to EDC and 50% of their points could come from EDC's evaluation of that.

Ms. Paschal asked if the Board wants to revisit the direction to cut the lease allocation for the Incubator space.

The Board discussed a "one last time" funding, at a reduced amount, and the challenge to the Town of Siler City to match it. It was also discussed that it be made clear that they would need to restructure and this would be their final contribution from the County.

Ms. Paschal explained that "one time funding" could be taken from fund balance.

Ms. Bass stated that there were two projects; one in the amount of \$15,000 and the other was for \$65,000.

The County Manager stated that from the point-of-view from the staff, a restructuring plan would require multiple years to implement. He further stated that he had already had discussions with the Siler City Town Manager about the discussion the Board of Commissioners is having today so that there will be no surprises.

Chairman Bock asked if the Board wanted change the decision that was made during the retreat.

Commissioners Bock, Petty, and Stewart answered, no. Commissioners Cross and Kost answered, yes.

The Board asked the County Manager about his conversation with the Siler City Town Manager. The County Manager stated that the Town Manager was going to get in touch with the Commissioners about the dilemma. He stated that he informed Mr. Brower when staff had the conversation that this may take place; that he is keenly aware of the \$339,000 balloon payment; and that he didn't know how it was going to affect them.

Commissioner Cross reiterated that they did not know what the Town Board thinks and he feels that they should be in this discussion before a final decision is made.

The County Manager stated that he would make an overture to Siler City for a joint meeting.

RESOLUTION AUTHORIZING CONDEMNATION TO ACQUIRE CERTAIN PROPERTY

David Hughes, Public Works Director, stated that the County is currently upgrading the water system as part of the Durham Interconnect Project and must acquire easements and land to build a pump station.

The County is condemning the property on Farrington Road described in the resolution to provide the public with an adequate water system and to meet the need for expanded and upgraded services. When the complaint is filed, just compensation will be deposited into the Office of the Clerk of Court. This property has no owner listed with the Tax Department and taxes have not been paid in the past eight years.

Commissioner Kost asked how long someone would have to claim the property.

The County Attorney explained that the money would be kept in escheats up to five years. He stated that the period of time was only to claim the money, not to claim the land.

Commissioner Kost moved, seconded by Commissioner Petty, to adopt **Resolution #2012-09 Authorizing Condemnation to Acquire Certain Property**, attached hereto and by reference made a part hereof. The motion carried five (5) to zero (0).

CLOSED SESSION

Commissioner Cross moved, seconded by Commissioner Petty, to go out of Regular Session and convene in Closed Session for the purpose of consulting with the County Attorney on matters within the attorney/client privilege under GS 143-318 11(a) (3) and matters related to property acquisition. The motion carried five (5) to zero (0).

WORK SESSION

Commissioner Stewart moved, seconded by Commissioner Petty, to adjourn the Closed Session and reconvene in Work Session. The motion carried five (5) to zero (0).

ADJOURNMENT

Commissioner Petty moved, seconded by Commissioner Kost, to adjourn the meeting. The motion carried five (5) to zero (0), and the meeting adjourned at 5:12 PM.

Brian Bock, Chairman

ATTEST:

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