



Chatham County, NC

Meeting Minutes Board of Commissioners

Monday, May 5, 2014

6:00 PM

Historic Courthouse Courtroom

Regular Session - 6:00 PM - Historic Courthouse Courtroom

Rollcall

Present: 5 - Chairman Walter Petty, Vice Chair Brian Bock, Commissioner Mike Cross, Commissioner Pam Stewart and Commissioner Jim Elza

INVOCATION and PLEDGE OF ALLEGIANCE

Commissioner Cross delivered the invocation after which the Vice Chairman invited everyone present to stand and recite the Pledge of Allegiance.

CALL TO ORDER

Chairman Petty welcomed those in attendance and called the meeting to order at 6:00 PM.

APPROVAL OF AGENDA and CONSENT AGENDA

A motion was made by Commissioner Elza, seconded by Commissioner Cross, that the Agenda and Consent Agenda be approved.

The motion carried by the following vote:

Aye: 5 - Chairman Petty, Vice Chair Bock, Commissioner Cross, Commissioner Stewart and Commissioner Elza

14-0744 Vote to approve a request from citizens for the naming of private road in Chatham County

Attachments: [THE BRADFORD LANE PETITION](#)
[THE BRADFORD LANE MAP](#)

A motion was made by Commissioner Elza, seconded by Commissioner Cross, that this Agenda Item be approved. The motion carried by the following vote:

Aye: 5 - Chairman Petty, Vice Chair Bock, Commissioner Cross, Commissioner Stewart and Commissioner Elza

14-0763 Vote on a request to approve a Pyrotechnics Display at 11000 Club Drive, Chatham County, NC on May 17, 2014

Attachments: [Attachment A 5.05.14](#)
[Attachment B 5.05.14](#)
[Attachment C 5.05.14](#)
[Attachment D 5.05.14](#)
[Attachment E 5.05.14](#)
[Attachment F 5.05.14](#)

A motion was made by Commissioner Elza, seconded by Commissioner Cross, that this Agenda Item be approved. The motion carried by the following vote:

Aye: 5 - Chairman Petty, Vice Chair Bock, Commissioner Cross, Commissioner Stewart and Commissioner Elza

End of Consent Agenda

PUBLIC INPUT SESSION

There was no one present who wished to speak.

BOARD PRIORITIES

14-0764 Presentation by County Staff of the Fiscal Year 2014-2015
Recommended Budget

Ms Renee Paschal presented the Recommended Budget for the Fiscal Year 2014 2015.

Ms. Paschal stated presenting the recommended budget is the first official step in the budget process.

She stated there are also two budget public hearings, one on May 19, 2014 in Pittsboro and one on May 20, 2014 in Siler City. There are two Budget Work Sessions are also scheduled. Ms. Paschal stated the Board will make changes based on public input and they must adopt a Budget Ordinance by June 30, 2014. She stated staff hoped the Board would adopt the Budget Ordinance at it's meeting on June 16, 2014.

Ms. Paschal recommended everyone read the budget message as it contained everything pertinent in the budget document. She stated the staff would officially present the recommended budget tonight. Tomorrow the recommended budget would go on website and also in library so the public will have access to it.

Ms. Paschal stated the Board approved several goals at it's retreat in January. The goals included achieving a prosperous and thriving community, achieving a AAA bond rating, ensuring efficient and effective government, building a new agriculture center, and building a safe community. She pointed out that the departments had done an excellent job linking their budget and work plans with the Board's goals.

Ms. Paschal reviewed the economic indicators trending favorably, some near pre recession levels, such as:

- Sales tax, building permits, register of deeds stamps, and the unemployment rate

Ms. Paschal stated the School requests were fully funded and their recommended budget includes:

- Funds incentive pay request: 575K
- The one-to-one laptop request was funded (\$577K)
- Current expense funding is increasing 3% to fund the program
- This expense has been moved from capital outlay and due to this change the CCS will now have to share these funds with charter schools.
- Fully funds the Capital Improvements Program—paving and roofing projects (\$1.1M)
- Also includes recommendation to move forward with the joint county/bus garage.

Ms. Paschal stated another new initiative continues the County's commitment to bring employees half way to their market rate, or give a 2% cost of living increase, whatever is higher. Cost is \$535K

Ms. Paschal stated the recommended budget funds five new positions:

- Two are being converted from temporary to regular status (DSS and court-related programs)
- One position will be created within central permitting, social services, and the sheriff's department.

Some of the increases were made possible because of efficiencies realized by the Health Department, resulting in a reduction of (-\$154K)

- The additional position in the Sheriff's Department will address the increased administrative capacity with the rapid growth in staff and budget. (35 positions in 2 years) Ms. Paschal stated a major cost driver of the FY 15 budget is the full year of staff cost for the new jail.
- Roughly \$800K

Ms. Paschal stated overall the recommended budget is only 1% above the FY 14 budget:

- Modest increases in admin, general government, and natural resource management, mostly inflation or pay increases
- Decreases in capital transfers due to fewer capital projects being funded from the general fund
- Increase in debt because of first principal payment for the new jail
- Decrease in schools because of fewer capital improvements projects; operating expenses and regular capital outlay are increasing 3% overall
- Decrease in education and culture because the FY 14 amended budget includes roll-over donations that are not budgeted in the original budget
- Human services is declining slightly, in part because of the savings realized in the health department
- Public safety is increasing 9% because of the new jail and other additional expenses, such as inflationary increase in EMS contract, and contracting with - Durham County to provide EMS in the Parkwood area

Commissioner Petty asked if the decrease in the school budget was only just for capital expenditures. Ms. Paschal stated the decrease was for the entire budget but was due to the CIP projects. Commissioner Bock asked for the increase in school budget operating expenses. Ms. Paschal stated there was an overall operating expense increase of 3%. Ms. Paschal stated the school's overall budget is down 1% from last year but their operating expenses are up 3% this year.

Ms. Paschal stated staff is not proposing a tax increase which is one of the Board's goals. There is not a recommendation at this time on the fire districts. One district has withdrawn their request for an increase and Siler City still has a 2 cent increase request on the table. The increase request is for a full time chief and also to put

aside some capital funds. Ms. Paschal stated once the recommendation has been made, staff will get the recommendation to the Board and the public through the website and a press release. This way people will know before the public hearing if there is going to be an increase in the fire district rates.

Ms. Paschal stated in summary, the recommended budget continues the past practice of good financial stewardship and moves the county forward to take on new responsibilities and invest in its people and schools.

Ms. Paschal reviewed the revenue highlights:

Overall, revenues are expected to increase slightly in FY 15, including:

- 34% increase in fees and permits
- 6% increase in sales tax
- 94% increase in interest income

But, we are budgeting a slight decline in property tax revenues.

Ms. Paschal stated the slight decrease results from the motor vehicle windfall in FY 14 which yielded approximately 33% more vehicle taxes, due to a 4-month overlap of collection between the old system of county collection and the new system of DMV collection at the time of tag renewal.

Commissioner Elza asked if the power plant had impact. Ms. Paschal stated it did. The County lost 42 million dollars last year due to the closing of the coal fire plant in Moncure and we are losing a projected 18 million this year. Commissioner Elza asked if that was value and not revenue. Ms. Paschal stated it was value. Commissioner Cross asked if the County would lose anything on performance this year. Ms. Paschal stated the County would not lose anything on the value this year because the values are set January 1, but it may impact next year. Commissioner Cross stated he believed they were disassembling the plant. Ms. Paschal stated whatever they have on January 1 is what taxes they have to pay so it could affect next years budget.

Ms Paschal reviewed the Major Funds:

- General Fund: \$94.0M, 1% increase
- Water Fund: \$5.6M, 2% decrease
- Solid Waste & Recycling: \$3.3M, 4% increase

Ms. Paschal reviewed the Capital Improvements Program:

- Adds joint county/bus garage because of increased impact fee revenue
- Delay second phase of Annex renovations so that Tax and Finance can be temporarily located in old Agriculture Building
- Keep school roofs and paving projects on track

Ms. Paschal reviewed the nonprofit agencies (pg 142 146)

- Nonprofits undergo an extensive application and review process
- Last year the process was changed to earmark 55% of funding to the basic needs of hunger, housing, and health care
- Written recommendations from panels will be provided
- Manager recommends redirecting \$1,000 from Chatham CDC funding to commissioner pot
- Commissioners have \$11,000 to allocate directly

Ms. Paschal reviewed the budget process again.

Ms. Paschal asked the Commissioners if they had any questions.

Commissioner Bock asked how different the school budget was from what they requested. Ms. Paschal stated it was exactly what they requested except, they had asked to roll fund balance from current expense to capital outlay to fund some maintenance improvements. They inherited property from Moores Machine in Siler City and they are going to turn that into their Maintenance facility. Ms. Paschal stated staff recommended they keep it as current expense and fund it one to one. Commissioner Bock stated everything they wanted funded got funded. Ms. Paschal stated that was correct.

Commissioner Bock asked of the departments with budget decreases, were there any decreases in services. Ms. Paschal stated to her knowledge no services were decreased. She stated she believed Department Heads would agree.

Commissioner Elza asked for the status of the web portal for central permitting. He wanted to know if it was fully automated. Ms. Paschal stated it was not fully automated at this time but staff would update him on the status. Commissioner Elza was concerned about how different fees were tracked. Ms. Paschal stated the County was purchasing software to track it and it will also track delinquencies. If staff realizes there is a lot of non compliance then they will address it.

Ms. Paschal asked the Commissioners to confirm dates for the budget work sessions.

By consensus, the Board agreed to hold the first Budget Work Session on May 19, 2014 at 1:00 PM before the regularly scheduled Work Session and hold the second Budget Work Session on May 20, 2014 immediately following the Budget Public Hearing in Siler City.

Commissioner Bock stated the budget is pretty tight. If the Board wants to increase in one area it will need to decrease in another. He stated the reason he brought it up was because of getting employees to their market rate. Ms. Paschal stated the best solution to that would be to start the raises in a year, not on July 1. Commissioner Bock asked if staff could look at that before the budget work sessions.

Commissioner Cross stated he wanted to make a suggestion to keep the \$11,000 in the general fund and hold on to it in the event of a shortfall. Commissioner Bock agreed that was a good idea but was concerned people would come ask for it at the public hearings. Commissioner Elza stated if they took the money off the table it could not be debated.

Commissioner Cross agreed and stated the nonprofit money had already been allocated.

A motion was made by Commissioner Cross, seconded by Commissioner Stewart, to move the \$11,000 back into the General Fund in the event of a shortfall, as all nonprofit money has already been allocated. The motion carried by the following vote:

Aye: 5 - Chairman Petty, Vice Chair Bock, Commissioner Cross, Commissioner Stewart and Commissioner Elza

CLOSED SESSION

14-0765

Closed Session to discuss matters within the attorney client privilege.

A motion was made by Vice Chair Bock, seconded by Commissioner Stewart, 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). The motion carried by the following vote:

Aye: 5 - Chairman Petty, Vice Chair Bock, Commissioner Cross, Commissioner Stewart and Commissioner Elza

MANAGER' S REPORTS

There were no reports at this time.

COMMISSIONERS' REPORTS

Commissioner Cross stated that the Duke Power Meeting on Thursday, May 8, 2014 was scheduled during the same time as the Agriculture-Civic Center Ground Breaking. He suggested that the Chairman or County Manager give Ms. Everett a call and let her know the Board would be at the groundbreaking from 4:30 to 5:30 and then they would head over to the Duke Power Meeting.

The County Manager stated he had already spoken with Ms. Everett and she was aware of the groundbreaking. He also stated that the Duke Power meeting was a drop in meeting from 3:30pm to 7:30pm so that the Board could come by at their convenience. Commissioners Elza, Cross, and Petty stated they would all be attending the Duke Power meeting after the groundbreaking.

Commissioner Stewart stated she would be out of the country next week.

Commissioner Elza stated he would be out of town May 23rd until June 7th or 8th.

ADJOURNMENT

A motion was made by Commissioner Elza, seconded by Commissioner Stewart, that the meeting be adjourned. The motion carried by the following vote:

Aye: 5 - Chairman Petty, Vice Chair Bock, Commissioner Cross, Commissioner Stewart and Commissioner Elza