

**MINUTES**  
**CHATHAM COUNTY BOARD OF COMMISSIONERS**  
**WORK SESSION**  
**JUNE 01, 2009**

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The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the Agricultural Building Auditorium, 45 South Street, located in Pittsboro, North Carolina, at 10:15 AM on June 01, 2009.

Present: Chairman George Lucier; Vice Chair Sally Kost; Commissioners Mike Cross, Carl Thompson and Tom Vanderbeck; County Manager, Charlie Horne; County Attorney, Jep Rose; Assistant County Manager, Renee Paschal; Finance Officer, Vicki McConnell; and Clerk to the Board, Sandra B. Sublett

The work session was called to order by the Chairman at 10:15 AM.

*Work Session Agenda*

1. Major Corridor Overlay Zoning Districts: The unzoned major corridors were zoned to RA-40 and then the existing businesses/industries were considered individually. The consultant and Planning Board forwarded recommendations in July 2008 based on the Major Corridor Task Force draft of January 2008. Remaining issues involved are as follows:
  - A. Which of the recommendations does the Board want to move forward for legal review?
  - B. Legal review by County Attorney.
  - C. Various dates for public hearing considering legally required mailings and posting.
2. Follow-up Major Corridor Business Zonings:
  - A. Discussion about property owned by Derek Grimes at 1724 Lutterloh Road (parcel #76315) in relation to the corridor business rezonings. This is a follow-up to the comments made by Mr. Grimes during the April 27, 2009 corridor rezoning public hearing.
  - B. Discussion to schedule the public hearing date for property owned by Anthony and Joanne Bright at 8240 NC #87 South (Parcel #18402) to rezone a portion of the property to Light Industrial. This is a continuation of a discussion from the May 18, 2009 Commissioners’ meeting.
3. Budget Work: Board of Commissioners is to begin work on the recommended budget. This afternoon’s session will target schools, school capital projects, Capital projects and the Community College.

Chairman Lucier stated that Item #2 would be heard first, and then Item #1.

**MAJOR CORRIDOR BUSINESS ZONINGS**

**Discussion about property owned by Derek Grimes at 1724 Lutterloh Road (Parcel #76315) in relation to the corridor business rezonings**

Jason Sullivan, Assistant Planning Director, stated that during the April hearing the Board had requested that Derek Grimes come back to them to discuss his issues with the zoning; that since that time Mr. Grimes had met with staff to determine if his business could be considered a home occupation; that when the initial zoning had been done that was not the

zoning that had been applied to Mr. Grimes property; that when they had visited the property there were no indications that a home occupation was located there; and, that it now appeared that Mr. Grimes' may not be current activities may not require a home occupation permit as required by the ordinance. Mr. Sullivan stated that another issue was that Mr. Grimes stated he had never received the letter from the County regarding the zoning. He stated that Mr. Grimes was on the mailing list but that did not mean he had received the notice. Mr. Sullivan stated that about 400 public hearing signs had been erected throughout the area. Derek Grimes stated that he was currently doing small landscape maintenance jobs but had planned to expand to hardscape projects and was planning for that opportunity, but did not want the zoning to prohibit him from being able to build a workshop or hire employees.

Chairman Lucier stated he could understand Mr. Grimes' concern, and asked what the zoning category would be for that. Mr. Sullivan stated based on Mr. Grimes' comments he may actually qualify for a rural home occupation since he had 11 acres of land, noting the number of off-site employees was not regulated. He said that zoning would allow for an accessory building for the home occupation of up to 2,500 square feet, and the home occupation permit fee was \$100.

Commissioner Cross asked how many employees could Mr. Grimes have on site before he is required to have a permit. . Mr. Sullivan responded that it would be three employees.

Chairman Lucier stated there were also buffering requirements. Mr. Sullivan stated that was correct, but that the home was situated in the middle of the property so buffers would not be an issue.

Commissioner Kost stated then Mr. Grimes could likely do what he wanted to do under the zoning he had. Mr. Sullivan stated they had landscaping businesses that operated as home occupations in the zoned part of the County, so there were examples that were similar already in existence.

Chairman Lucier stated if he qualified for a rural home occupation he could have an accessory building and as many off-site employees as he wanted, and perhaps even have a nursery. Mr. Sullivan stated he would be limited to having three on-site employees plus himself for any on-site activities, and a nursery would be considered a part of the business. He added they would need to look at his total operation under that zoning to make sure there were no other issues, and he would be required to apply for and receive the standard permits.

Mr. Grimes asked would he be able to sell items from a nursery to his clients, but not sell them to the general public.

Chairman Lucier stated that would all fit under the rural home occupation. He asked Mr. Sullivan would there be an issue if rather than three employees, he had six employees who all worked half-time. Mr. Sullivan stated the wording in the ordinance said that the total number of resident or non-resident employees working on-site shall not exceed four, so three at a time could be on site working, plus Mr. Grimes.

Chairman Lucier suggested that they provide Mr. Grimes with the names of people who had similar businesses in the County so that he could talk with them and see what their operations looked like. He stated that might be good to do before they went through the public hearing process. Mr. Grimes agreed to do that, noting his point was not to have trouble in the future when he did expand.

Mr. Sullivan stated he would provide that information to Mr. Grimes.

**Discussion to schedule the public hearing date for property owned by Anthony and Joanne Bright at 8240 NC #87 South (Parcel #18402) to rezone a portion of the property to Light Industrial. This is a continuation of a discussion from the May 18, 2009 Commissioners' meeting.**

Mr. Sullivan stated that the Brights had originally submitted their affidavit to have a portion of their property that was zoned RA-40 rezoned to Light Industrial; that as they moved through the process the Commissioner had considered only one acre surrounding the cell tower site; that the balance of the property zoned R-1 was to go to public hearing for consideration of

rezoning to Light Industrial; and, that it appeared that June 15 would be an appropriate date to set the public hearing on the rezoning, although July would be appropriate as well.

Chairman Lucier stated there had been a communication issue involved with the original request, and although there was no guarantee that the Commissioners would act favorably they would be guaranteeing a public hearing.

Commissioner Kost stated she would prefer to hold the hearing in July based on the workload facing the Commissioners at this time. Mr. Sullivan stated there was no rush to do it in June.

Chairman Lucier asked what the date of that hearing would be. Mr. Sullivan replied the date would be July 20.

Commissioner Kost moved, seconded by Commissioner Cross, to set the public hearing for the Anthony and Joanne Bright property rezoning located at 8240 NC #87 South (Parcel #18402) for July 20, 2009. The motion carried five (5) to zero (0).

### **MAJOR CORRIDOR OVERLAY ZONING DISTRICTS**

The unzoned major corridors were zoned to RA-40 and then the existing businesses/industries were considered individually. The consultant and Planning Board forwarded recommendations in July 2008 based on the Major Corridor Task Force draft of January 2008. Remaining issues involved are as follows:

- A. Which of the recommendations does the Board want to move forward for legal review?
- B. Legal review by County Attorney.
- C. Various dates for public hearing considering legally required mailings and posting.

Chairman Lucier stated the Major Corridor Task Force had put forth their recommendations; that last summer the Planning Board had reviewed those and put forth their recommendations; and, that the issue before the Commissioners now was did they move forward with a public hearing on the Planning Board's revised recommendations, after which time it would go back to the Planning Board for more review prior to that Board making final recommendations to the Commissioners. Chairman Lucier stated another approach would be to have the Commissioners review the work of the Planning Board during a work session, to indicate what they might want to change, send it back to the Planning Board, and then after the Planning Board's review set a date for a public hearing.

Commissioner Cross asked would it be appropriate to have the public hearing, then the Board's work session, and then back to the Planning Board.

Chairman Lucier stated the issue was that most of the Commissioners had examined the proposals in detail, so if there were things in those details that they really did not want to do then they would have to call a second public hearing later on because of the substantial changes. He stated that process might actually take longer.

Commissioner Kost stated that her question was that with some of the rezoning changes the Board had done, how that impacted the recommendations. She stated the other issue was as far as the design guidelines, were they an appendix or were they a part of the ordinance, and she had some questions about how that would work with nonconforming properties. Commissioner Kost stated because she had so many questions, she would prefer to have the work session with the Commissioners talking about it, then sending it to the Planning Board, and then to public hearing.

Chairman Lucier stated that work session should be a joint session with the Planning Board. Jim Hinkley, Planning Board member, agreed.

Commissioner Vanderbeck stated he would prefer going through the recommendations in great detail, noting it was a lengthy and somewhat contested ordinance. He stated that would also be an opportunity for the public to attend that meeting and hear the information in a

different context than they had heard it before, and after that time they could decide what to leave in and what to take out. Commissioner Cross agreed, as did Commissioner Thompson.

Chairman Lucier asked when that joint work session with the Planning Board could be scheduled, which would obviously not be until after the budget was completed. He suggested that it be scheduled for August 3 during the regularly scheduled work session.

Commissioner Kost asked about the time, noting that many of the Planning Board members worked during the day. She also stated that the Planning Board's regular meeting would be on August 4.

Chairman Lucier stated they could have the work session in the evening.

Commissioner Kost asked would it be unfair to ask the Planning Board to attend two night meetings in a row. Mr. Hinkley responded they had done it before.

Commissioner Vanderbeck suggested that they do that work session in the evening, tentatively on August 3.

Chairman Lucier stated that the work session with the Planning Board would be only on the Major Corridor recommendations, and any other work session items would be held separately.

The Commissioners briefly discussed the issues surrounding the joint work session with the Planning Board, including the date and time, and whether or not to schedule a special meeting since it likely would not be a short meeting.

By consensus, the Board agreed to set Tuesday, August 11, 2009, at 6:00 PM as the date and time on which to hold a joint meeting with the Planning Board to discuss the major corridor overlay zoning districts and associated items. The location is to be determined.

### **BUDGET DELIBERATIONS**

Dr. Logan, Superintendent of Schools, introduced those in attendance from the Senior Leadership Team and Board of Education Members as follows:

Deb McManus, Vice Chair of the Board of Education  
David Hamm, Board of Education Member  
Susan Little, Chief Operational Officer  
David Moody, Assistant Superintendent for Auxiliary Services  
Dr. Robin McCoy, Assistant Superintendent for Instructional Services  
Dr. Tina Hester, Assistant Superintendent for Human Resources  
Bess McCullough, Public Information Officer  
Shelia Talley, Administrative Assistant

Chairman Lucier welcomed the Board of Education members, noting everyone understood this was a difficult budget year and the substantial financial issues the schools were facing. Dr. Logan agreed it was a challenging and very unique time for public education in the State. He stated he had prepared a presentation, but could provide any additional detail the Commissioners might need.

Dr. Logan stated the good news was that the Northwood High School project was on schedule and on budget; and, the preliminary EOG test results show that student performance was up. He provided the following information using a PowerPoint presentation:

#### **2008-09 Budget by Fund**

State – 39%  
Local – 22%  
Federal – 5%  
Capital Outlay – 30%  
Child Nutrition – 4%  
Child Care – 0%  
Scholarship – 0%

#### **Budget Reconciliation**

Fiscal Year 2008-2009 budget	\$25,538,694 (~\$19 million from the County)
2% Salary Increase – State match	\$ 423,081 (no longer recommended)*
25% Hospitalization Increase	\$ 305,047
10% Utility Increase	\$ 302,307
Increase for Charter Schools	\$ 400,000**
Risk Portfolio Increases	
Workers’ Compensation	\$ 57,374
Property	\$ 10,000
Liability	\$ -467
Bonds	\$ -135
Student Insurance	\$ -22,000
Vehicle	\$ 5,000
Total Continuation	\$27,018,901
Available Revenue 2009-2010	<u>\$24,611,031</u>
Budget Deficit	\$ 2,407,870

\*Amount was already in the balanced budget and once the Board of Education had an opportunity to talk about it, they could come back and recommend it be utilized in some other way.

\*\*When economic downturn occurs, many children in private institutions return to public schools or to Charter schools. Hence, there was a real possibility of an increase in the number of students attending Charter schools. Figure was based on the maximum number of seats available in Charter schools and the impact that would have on the budget. As well, in the past they had been forced to take money from Fund Balance in order to make sure the Charter schools received the amount of money required, causing the Fund Balance to be affected, and that needed to be prevented in future.

**Total Economic Stimulus**

Total Stimulus Package - \$787 billion  
 North Carolina’s portion - \$1.5 billion  
 Chatham County Schools’ portion - \$2,508,085

Chatham County Schools	<u>2009-10</u>
IDEA VI B (special education/exceptional children)	\$1,572,404
Title I (low-income students)	\$ 873,822
Pre-School	<u>\$ 61,859</u>
Total	\$2,589,085

<u>Title I-A Increase</u>	<u>Construction</u>	<u>IDEA Increase</u>	<u>TOTAL</u>
2009 - \$493,300	\$1,311,600	\$ 995,400	\$2,800,200
2010 - \$493,300	- -	\$1,206,800	\$1,700,100

\$4,500,300 total 2-year increase

**Chatham County Schools 2009-2010 Budget Reductions**

**Personnel**

4 Curriculum Resource Teachers	\$ 285,980.00
3 Career & Technical Education Teachers	\$ 132,218.01
1 Human Resources Position	\$ 90,749.00
11 Teaching Positions (Allotment Adjustment)	\$ 613,978.00
7.5 Curriculum Coaches	\$ 433,083.00
4 Months of CTE	<u>\$ 23,413.00</u>
Sub-Total	\$1,579,421.00

**General Operating Costs**

Maintenance	\$ 300,000.00
Master’s Cohort/Reimbursement	\$ 60,000.00
Exceptional Children	\$ 100,052.00
School Allotments	\$ 101,315.00
ABC Incentive	\$ 16,206.00

AIG Supplies & Materials	\$ 10,000.00
Instructional Supplies & Materials – Central Office	\$ 112,547.00
Instructional Field Trips	\$ 39,443.00
Local Staff Development	\$ 50,000.00
CTE Program Support	\$ 25,386.00
Board Expenses	\$ 13,500.00
<b>Sub-Total</b>	<b>\$ 828,449.00</b>

**Grand Total** **\$2,407,870.00**

### **2009-2010 State Budget Picture**

- 2008-2009 State Budget - \$21 billion
- 2009-2010 estimates indicate a 3 to 4 billion dollar revenue shortfall (\$17 billion)
- Must reduce continuation budget for public education, community college, and universities from \$12.3 billion to \$10.5 billion (\$1.8 billion reduction or 11.1%)
- Reduction to public schools \$932,947,956 Chatham County's portion \$4,543,000

### **Possible State School Fund Reductions for 2009-2010**

- Reduction of 6,000 to 8,000 teachers (Statewide)
  - Class size increase by 1; loss of 13 teachers in CCS
  - Class size increase by 2; loss of 26 teachers in CCS
- Cut all Grade 3 Teacher Assistants - would eliminate 25 TAs in CCS
- Cut a total of 4.33 Counselors, Media Specialists, and Social Workers in CCS
- Change Assistant Principal allotment formula resulting in loss of 187 10-month positions Statewide (CCS reduction 3, 11-month APs)
- Reduce Non-Instructional Support by 11.1% (CCS reduction 6.87 positions)
- Cut Central Office allotment by 1 position
- Eliminate Improving Accountability allotment (CCS allotment \$253,702)
- Reduce At-Risk Student Services Alternative Schools allotment by 11.1% (CCS reduction \$130,970 or 3 positions)
- Reduce Transportation allotment by 7.5% would reduce our CCS total miles traveled daily by 563 or 7.5 buses (11.1% equals \$193,095)
- Cut Textbook Fund (\$62,892)
- Cut all State-funded staff development for two years (\$66,778)
- Furlough five days for all school employees; Average CCS teacher \$995.95 (\$199.19 p/d); Average CCS principal \$1,346.30 (\$269.26 p/d)

### **Reductions to Date**

- Balanced local school fund by \$2.4 million
- Cuts to Central Administration (\$95,000)
- Reduce/condense travel
- Remove microwaves, refrigerators, and coffee machines from classrooms
- Deleted certain special events
- Reduced overtime
- Designated Board meeting locations
- Move to 4 day, 10 hours per day summer work week
- Close Paul Braxton site (facility operating expense \$53,000)
- Down 20 (energy management program) projected savings \$232,000

### **Chatham County Schools Undesignated Fund Balances as of June 1, 2009**

• General Fund/Current Expense	\$399,131.68
• Capital Outlay	\$ 99,681.00
• School Food Service	\$593,234.00

### **Educational Impact of 2009-10 Budget Reductions**

- Reduction in instructional support
- Increase in class size ratios
- Reduction in staff development
- Increase in recruitment/retention challenges
- Reduction in supplies and materials
- Reduction in field trips
- Reduction in buses on the road; resulting in longer bus routes

The single most important factor in the education of a child is the quality of the teacher. Thus, these reductions won't necessarily equate to a reduction in student achievement. We strongly feel we have good teachers.

**Prioritized List of Reductions to Fund (should funding be available)**

- 1) 11 Teaching Positions (Allotment Adjustment) \$613,978.00
- 2) 7.5 Curriculum Coaches \$433,083.00
- 3) 4 Curriculum Resource Teachers \$285,980.00
- 4) Maintenance \$300,000.00
- 5) Classroom Supplies and Materials \$101,315.00
- 6) Local Staff Development \$ 50,000.00

<b>Chatham County Schools Capital Outlay Requests 2009-2010</b>		
<b>Local Appropriation of Capital Outlay</b>		
<b>Category I Projects</b>		
	Pave & Resurface Areas & Drainage at MON & SAGE	\$40,000
	Renovate Restrooms at JMHS	\$115,000
	Flooring at CCHS, JMHS, & NHS	\$76,982
	Fencing at SCE	\$33,000
	HVAC Improvements	\$106,000
	Refurbish Auditorium Seating at NHS	\$12,450
	<b>Category I Project Total</b>	<b>\$383,432</b>
<b>Category II Furniture &amp; Equipment</b>		
	Bookshelves & Cabinetry at MON, PHS, & SCE	\$16,236
	Refurbish or Replace Lockers at SAGE and JMHS & NHS Fieldhouses	\$79,900
	Furniture and Equipment Replacement at All Schools	\$100,000
	<b>Category II Furniture &amp; Equipment Total</b>	<b>\$196,136</b>
<b>Category II Technology</b>		
	Computers at HMS & JSW	\$81,600
	New Phone System at NHS	\$100,000
	Upgraded Teacher Laptops for High Schools	\$81,600
	Instructional, Administrative, and Network Infrastructure Needs per Board Approved Technology Plan	\$150,000
	<b>Category II Technology Total</b>	<b>\$413,200</b>
	<b>Category II Furniture &amp; Equipment and Technology Total</b>	<b>\$609,336</b>
<b>Category III Vehicles</b>		
	<b>Category III Vehicles Total</b>	<b>\$0</b>
	<b>Total Local Capital Outlay Budget Request</b>	<b>\$992,768</b>
<b>Additional Requests</b>		
	Roofing - Shingle Replacement at BEN, BON, & SH	\$300,000
	Bus Video Systems (20)	\$40,000
	Pave & Resurface Areas, Curbing, & Drainage at JMHS & VCE	\$60,000

Dr. Logan said in addition to the Additional Requests noted above, two technical education programs were being phased out, Cosmetology at Jordan Matthews and Masonry at Northwood; that in partnership with CCCC, they were recommending that the schools partner with CCCC to begin a barbering program; that that would mean that the School System would be the site provider for the CCCC three-County area of Harnett, Lee, and Chatham for that barbering program; that the program was proposed for Jordan Matthews and was tightly State-regulated, and it would take about \$100,000 of renovation to the school in order to be able to offer that program; that CCCC would provide the instructors, would oversee the program, and the school system would provide the students; that during daytime hours the program would be accessible to students from all three high schools, and during the evening the program would be offered to the public; and, that the issue was that the school system did not have the \$100,000 to renovate the facility, which would be a one-time, non-recurring cost to convert the Cosmetology Lab to a barbering facility. Dr. Logan emphasized that that proposal had not yet gone before the Board of Education for consideration.

**Chatham County Board of Education  
2009-2010 Budget Requests**

1. That the Chatham County Commissioners fund Chatham County Schools at the same level for 2009-2010 as for 2008-2009.
2. That the Board of Education and school administration be granted the requested flexibility to administer the 2009-2010 budget:
  - Flexibility to move Newcomers program & ESL program funds as necessary to maximize the use of State and federal stimulus monies.
  - That the Chatham County Commissioners appropriate a lump sum for capital outlay without project restrictions or limitations and send monthly installments for the appropriation.

Commissioner Thompson asked was staff development required by the State. Dr. Logan replied yes, and in the past the State had provided assistance. But, he stated, if the State did not fund it then it fell to the individual or to the school. He added that 12 hours of professional development was required by the local Board of Education as well.

Dr. Logan remarked that Chatham County schools had reverted back to the State from its State allocation this year the amount of \$716,587. He stated that had a double impact on budget, not just from having to return the money but that some of the items it was meant for were already in progress and had to be completed because they affected other areas of the budget. Dr. Logan stated that was why Fund Balance was below \$400,000. He stated he wanted to emphasize that the children attending school had not felt the loss the way the adults had, noting they had tried to keep it at the level of the adults being impacted and not the services to the students.

Susan Little stated that the State continued to operate under a freeze, and in addition to the \$716,587 they were likely looking at another \$150,000 that got caught in the freeze that they would have been able to use to reimburse their local Fund Balance. So, she stated, that \$150,000 was in addition to the total already returned to the State.

Dr. Logan stated with all of those issues at play, they were asking that the Board of Commissioners fund the schools for 2009-2010 at the same level as they had been funded in 2008-2009. He stated that whatever the State did, they would have to respond accordingly; that if teachers were cut, then the schools would cut teachers; that if administrators were cut, then the schools would cut administrators; and, the State had already cut transportation as noted earlier.

Chairman Lucier stated then the budget as stated was what was being requested, which was the same level as last year. He stated but in order to accomplish that, because of State funding they had had to cut \$2.4 million with more looming on the horizon. Dr. Logan stated that was correct. Chairman Lucier stated then they were hit again with the lack of flexibility in the use of stimulus funding, even though that was equal to the \$2.4 million already cut. Dr. Logan stated that was correct.

Commissioner Kost stated what was also an issue was that if they lost State-paid teachers, then they could possibly supplement the list of items noted as cut from the budget but prioritized to be funded should funding be available. Dr. Logan stated that would be his recommendation. Commissioner Kost stated that when you lost teachers you would free local supplement funding.

Ms. Little stated that money was currently on the reimbursement basis, and if the schools did not spend it then the County did not allocate it to them. Dr. Logan stated in other words, they did not get it if they did not request it, and they would not request it unless they had the positions.

Commissioner Kost stated that since it was already in the budget, that that was something they could discuss.

Chairman Lucier stated it would still free up money. Dr. Logan agreed. Chairman Lucier added that would not be the preferred way to free up money.

Commissioner Kost agreed it was not ideal, and said she believed they would be seeing an adjustment in classroom size. Dr. Logan stated he would like to see a small reduction in staff,



a small reduction in salary, and a small increase in State taxes such as an increase of ½ cent in sales taxes, in order to generate enough to make up the deficit without taking it all out of one particular area.

Commissioner Kost asked if they had any schools where the classroom sizes were less than the State requirement. Dr. Logan responded yes, and noted that advanced courses at some of the high schools were not at 29 students. He stated that the State guidelines for grades K-3 were one teacher for every 21 children, for grades 4 – 9 one teacher for every 26 children, and grades 10- 12 one teacher for every 29 children. Dr. Logan stated if the district average was at that level or less, then they could put additional children in the classroom. But, he stated, as the Board of Education had made very clear to him, they wanted to keep the class sizes as low as possible and not to balance the budget by overloading the classrooms.

Ms. McManus stated they had actually ended up in the smaller schools with some combination classes in an effort to not have a class with 14 students.

Chairman Lucier stated regarding the 2% salary figure in the budget, that would free up \$423,000, and the ESL and Newcomers program could be funded with stimulus money currently in the County budget, which was another \$515,000. He stated just those two items alone would be \$938,000. Dr. Logan stated that would allow them to save some teachers.

Ms. McManus stated she believed the Board's preference would be to keep that money in teachers.

Chairman Lucier stated that other than that, there was not too much other opportunity. Dr. Logan agreed, but said that \$938,000 would allow them to go back and pick up some of those teacher positions which would put them in much better shape than they were now.

Chairman Lucier asked when the State would come to grips with these issues. Dr. Logan stated the State was hoping that the State Budget Committee would come to agreement by June 10, and that by the 18<sup>th</sup> they would actually have a budget to vote on in the House. He stated the problem with the Governor's and the Senate's budget was that they were both basically null and void from the standpoint that they did not have the most recent revenue shortfall numbers when those budgets were developed, and the second issue was that neither the House nor the Senate's budget's met the requirements to receive the federal stimulus money.

Chairman Lucier asked Ms. Paschal if she had any issues with the \$515,000. Renee Paschal, Assistant County Manager, replied no, that she would prefer to give the Schools that flexibility especially if they could get stimulus money to supplant those funds. Chairman Lucier stated the schools certainly needed those funds, and that was where it should be used.

There was general agreement from the Commissioners. Chairman Lucier stated it would allow them more flexibility in coping with the uncertainty regarding cuts from the State. He stated that he did not believe that the Board of Commissioners had any interest in reducing the school's budget from what it was last year.

By consensus, the Board agreed.

Chairman Lucier stated that was not a final decision since many other factors had to be considered, but that was their goal. Ms. McManus stated the Schools were very appreciative of what the Commissioners were doing. Chairman Lucier stated he believed the Schools were doing a great job, and the County was very fortunate that they had a Board of Commissioners and a School Board that worked so well together.

Commissioner Kost asked for an update on the \$90,000 fine from the soil and erosion control violation that was previously fined, noting those funds were to go to the school system. The County Manager stated he would follow up on that and report back to the Commissioners. Commissioner Kost asked did they have any capital projects that were completed that had any remaining funds that could possibly be allocated to the schools. She stated she was somewhat concerned with cutting the maintenance budget because they had all worked hard to improve the schools and now was not the time to cut that; and, that it would cost them more later if they did not continue maintaining the facilities. Ms. Paschal stated there was money left from some

projects, but those funds had already been allocated elsewhere. She suggested they could designate any other leftover funds for maintenance next year.

Commissioner Kost stated regarding the recommendation about flexibility regarding capital funding she was not quite sure if she could agree about this since the Commissioners set the tax rate and were held accountable.

Commissioner Vanderbeck stated he would agree, noting it may require a little more staff time on both of their parts to come back to the Commissioners each time they needed to amend the budget.

Commissioner Kost asked about alcoholic beverage revenue, which they expected to increase due to passage of the referendum regarding liquor by the drink. Ms. Little stated they received some now, but it was a small amount. Commissioner Kost stated they should look at that.

Chairman Lucier stated there were a number of school projects in the CIP, which came out of the County's Fund Balance unless the funds were borrowed. He stated he wanted to look at those to see if there were any that could be delayed and funds retrieved. Chairman Lucier stated he understood that many of the projects carried safety or security issues with them and could not be delayed, such as restroom renovations, bleacher replacements, and camera systems.

Commissioner Kost stated many were multi-year projects, and the prior appropriation was about \$310,000. She asked were they on target with that budget, or was there any savings there that could be used in the future. Ms. Little stated the County had been given their request to move capital money from 2008-09 to the current year, but did not know what 2009-10 would bring.

Ms. Paschal stated those were only capital outlay projects and there were no CIP projects.

Mr. Moody stated that many of those projects were not completed. Commissioner Kost stated she understood that, but there were many projects being planned and she was looking for the funds to do them.

Chairman Lucier asked about the high school labs at \$152,000. Mr. Moody stated that project was ongoing.

Dr. Logan stated that project had originally been scheduled for this year but had been delayed until next fiscal year. He stated they were planning that project for this summer.

Chairman Lucier stated the renovation of the restrooms included adding hot water at a cost of \$250,000. Mr. Moody stated that project was ongoing with more work already scheduled.

Commissioner Kost asked if the renovation of the wastewater system at JS Waters was completed. Mr. Moody stated the planning was complete, with construction to begin this summer.

Chairman Lucier asked how that current system was operating. Dr. Logan stated they were paying fines monthly.

Chairman Lucier asked about the costs for Northwood, noting there was \$400,000 for contingencies included in that project. Dr. Logan stated he did not know the status of that project at this time. Chairman Lucier stated any leftover contingency funds may not help them because those were borrowed funds.

Commissioner Kost stated there were funds included for bleachers and seats, and those could be added to that project. Mr. Moody asked would that require that they expand the scope of the project.

The Finance Officer stated as long as the funds were spent at Northwood the answer was no, because they were all capital items.

Commissioner Kost stated then that contingency money could be shifted to cover the costs of those other projects at Northwood.

Chairman Lucier agreed, noting the lights at the football field should be included since they were in very poor shape. Dr. Logan stated they wanted to be sure to include the sound system for the auditorium as well.

Chairman Lucier stated there was already money included for the lights. Mr. Moody agreed, noting they would want to use contingency for every possible project. Chairman Lucier stated the long-term plan was that the auditorium, once the sound system was upgraded, would serve as a performing arts center for the entire County. Mr. Moody stated another project included in that contingency funding was to renovate the old dance studio into three classroom.

Chairman Lucier stated they needed to monitor that contingency funding closely and to see if any became available for use at Northwood. He asked about the length of the loan. Ms. Paschal responded it was a 20-year loan. Regarding the CIP balance, she stated that there was \$279,000 and change left from CIP projects for this year, including subtracting out the renovations to the science labs which would be done out of next year's funding.

Commissioner Kost asked if that included Virginia Cross. Ms. Paschal stated that did not include any of the debt financed projects, only asbestos, bleacher replacement, camera system, North Chatham cafeteria, restrooms and the JS Waters wastewater system. She said the Commissioners needed to discuss whether there would be money from those projects that could be redirected.

Commissioner Kost stated that Virginia Cross was debt financed, but believed there had been a substantial balance. Ms. Paschal stated they had borrowed the money and spent that money at Northwood, Briar Chapel and others.

Chairman Lucier stated what the Commissioners were saying was that the money that was there but not spent they would not try to get that back, but would consider how it might be redirected. Dr. Logan stated he believed that would help.

Chairman Lucier asked were there any other issues regarding capital outlay or improvements they should consider. Dr. Logan responded a potential great use of some savings would be to move forward with retrofitting the cosmetology lab as discussed earlier. He stated that Northwood money could not be used for that, but money from other CIP projects could possibly be used.

Commissioner Vanderbeck asked had they explored funding for that, noting persons coming through the new barbering program would eventually be working in the community and it would possibly create new jobs. Dr. Logan stated they had considered that, but funding was limited. He stated that CCCC would be providing the equipment and the instructors, but the Schools would be responsible for retrofitting the facility.

Chairman Lucier stated partnering with CCCC was a good thing, and those kinds of programs might help reduce the dropout rate by providing career opportunities. Dr. Logan agreed.

Chairman Lucier stated regarding the teacher supplements, they were remaining at the same level as last year. Dr. Logan stated that was correct. Chairman Lucier stated he believed those supplements were on par with the State average, but Orange, Wake, and Durham Counties were considerably higher. He asked did they know what other counties were doing, noting his concern was trying to make sure that they retained a somewhat competitive situation for recruiting and retaining teachers. Dr. Logan stated that many of the school districts were in the same shape as Chatham, with no planned change to the supplement for next year.

Commissioner Kost stated they had talked before about the structure of the supplement, and asked if that was being looked at now. Dr. Logan responded yes, noting that they could still move forward and get a number together.

Ms. Little stated it would cost more to do a percentage of salary.

Mr. Hamm stated he was a proponent of percentage-based supplements, and an interesting point was that with the surrounding school systems and across the State that had a percentage-based supplement, that if the State cut the salaries then the supplements would go down but Chatham's teachers would not be affected. But ultimately, he stated, they did need to go to a percentage-based system.

Chairman Lucier asked what was the County's funding responsibility, and did Chatham County do anything different than other counties in that respect. Dr. Logan responded looking strictly at General Statutes, counties had a very limited list of what they were required by law to provide, and in some respects it was vague as well.

Chairman Lucier stated then the County actually did more than was required. Ms. Little stated that was very true, noting that when the State gave up something the County many times picked it up.

Chairman Lucier asked who paid for school buses. Dr. Logan responded when a bus was added, the County purchased the bus the first time and then replacement buses and maintenance was provided by the State. He stated they had added two buses last fiscal year.

Ms. McManus commented that they also were rotating the replacement of activity buses throughout the schools.

Commissioner Kost asked was funding included in the initial budget for the start-up costs for the new middle school, scheduled to be opened in August of 2010. She stated for instance, was salary for the new principal included. Dr. Logan stated that was not included, noting they would like to bring the principal on six months early, with the State paying three months of that cost. He stated they would be responsible for the other three months. Dr. Logan stated that other types of start-up costs for the school, such as furniture and equipment, was included in the capital plan.

Commissioner Vanderbeck asked if the reduction in transportation allotment of 7.5% included fuel. Dr. Logan stated it was a total reduction, so fuel costs were included. Commissioner Vanderbeck stated in an effort to further build collaboration with the Commissioners and the Schools and in an effort to help trim operating costs to redirect those savings to other areas, would they be interested if they could identify any collaborative savings to supplement fleet fuel costs. Commissioner Vanderbeck stated the County could perhaps augment their diesel fuel and tap into clean initiatives funding and other programs that would benefit them all. Dr. Logan stated they had actually talked with CCCC regarding their biodiesel program and being the sole recipient of their biodiesel. Commissioner Vanderbeck stated they may be able to collaborate and they could all save money, and that was the kind of collaboration they wanted to build on. Dr. Logan stated he would also like to see them collaborate on a new transportation facility.

Commissioner Vanderbeck stated regarding performance contracting, he did not believe the schools had explored that to the point where it had been done. Dr. Logan replied they had not. Commissioner Vanderbeck stated they could possibly combine the schools with some other entity that the County funded to do a larger performance contract that would lock in operating costs and identify areas where they could gain more efficiency. Dr. Logan stated they likely bought their diesel as cheap as anyone in the State because the State bought it on a Statewide contract at a negotiated price for all 115 school districts, and it was far below what was paid at retail pumps. Commissioner Vanderbeck stated but it could be augmented, and then you could qualify for the clean air initiatives. Dr. Logan stated they would very much like to consider that.

Dr. Logan pointed out that at present, diesel was costing them about \$2.05 a gallon, but if that cost were to rise to levels experienced last year at \$3.75 and above, then they would be in a bind since the State budget was set at \$2.05.

Chairman Lucier asked what the budgetary impact was of transferring the school nurses to the Health Department. Dr. Logan stated the projected 2009-10 resources for the five school nurse positions was projected to be \$306,385, noting an additional nurse was funded by a grant. He stated that nurses were paid from an account known as PRC69, which was a State code that was designated for nurses, social workers, psychologists, and alternative school resources. Dr. Logan stated that State-funded resource paid for the nursing staff. Chairman Lucier asked if the

nurses worked for the Health Department rather than the school system, would the funding come from that same source. Dr. Logan stated in other jurisdictions in similar situations where the nurses worked for the Health Department, the counties picked up the costs for the nurses and the schools received no State allocations for nurses. He stated the resources that had been used for the nurses were then reallocated for other uses that were associated with that same PRC69 account. Dr. Logan stated if the County was to pick up the cost of the nurses at \$306,385 and not allocate that amount of money to the schools, he did not know if they would be able to retrieve that from the State's PRC69 funds, so that would be a major impact.

Chairman Lucier stated from the County's perspective, if the nurses were County employees would that mean that they would lose that State money. Dr. Logan stated they would not lose it but it could not follow the nurses and be given to the County. He stated it would have to stay in the school system, and the challenge would become how to replace those funds since the State funds were so restricted.

Chairman Lucier stated then the County would have to increase the Health Department budget by \$306,385 and decrease the school's budget by the same amount.

Commissioner Kost stated but it may not be that you could draw down the other money, so in essence the County would be cutting their budget. Holly Coleman, Health Director, stated in talking with other jurisdictions where the nurses were a part of the health department, it was her understanding that it worked out that some money did come to the health department from the State allocation to help pay for the nurses.

Chairman Lucier stated they would need to have a definite answer to that question. Ms. Coleman stated it had been worked out internally within the counties so that there was not a total lose of that State funding overall. She stated one thing they had learned on Friday was that the fund that supported that one nurse for the County was supposed to go away, so that may be a lose to the County regardless of who the nurses were working under.

Commissioner Vanderbeck asked was that ADM money. Ms. Coleman replied no.

Commissioner Vanderbeck stated it may be a moot point anyway since it was disappearing. Ms. Little responded it was possible, depending on what the State gave them. She stated that nurses were considered support positions and that was ADM based; that if the nursing expenses went away from the local budget, then they would have to pick up something else through the State funding.

Chairman Lucier stated that it could all be shifted, but the Commissioners would need to know how that \$306,385 would be used. Dr. Logan stated he did not know if they could be held to that, but if they looked at what State funds could be used for there were not using local money for any of those things, but only for what PRC69 monies could be used for.

Commissioner Thompson stated he understood that the \$306,385 was limited in where it could be used and they may not be able to use it in areas where there was the greatest need. He stated given that, his question would be what that money could be used for. Dr. Logan explained that PRC69 funds could be used for psychologists, social workers, nurses, and alternative school programs.

Ms. Little explained that alternative school programs would include media specialists and guidance counselors. Dr. Logan stated that was correct, and it was allotted per those positions and it could not be used for anything other than those positions.

Chairman Lucier stated that the reason they were thinking about that was because of child health problems such as obesity, diabetes, childhood asthma, and a number of things like that that were bringing more health resources to bear with the nurses being the first line of defense. So, he stated, that was certainly something that needed to be explored and they would talk more about that when they had the Health Department budget review on Thursday at 12:30 p.m.

Commissioner Kost stated she believed the school system had bought the equipment for the Rocky River monitoring project and the County was holding the funds but was planning on reallocating that money to the Rocky River Heritage Foundation. Dr. Logan stated that project had been a good idea that just did not work out.

Commissioner Thompson asked how much collaboration there was on a regular basis between the nurses and the school system and the Health Department. Dr. Logan stated they had met several times where they had discussed the proposal internally. He stated the question asked repeatedly would be what would be gained by the change, and what would be improved or done better. Dr. Logan stated he had yet to hear what the advantage was to doing that without going to a broader scale such as what was done in Durham or Buncombe Counties where they had a totally different approach where there were much broader-based services than just relocating the nurses from one entity to another. Dr. Logan said it was his personal opinion that there was value added when the nurses were within the entity they worked for. He stated they did have a collaborative agreement with the Health Department, and they did do things in conjunction with them. Dr. Logan said as had been pointed out to him, there may be an greater advantage of being able to respond to things like an epidemic, and that was true if the nurses were allowed to do that and not be pulled away for other duties. He stated his concern was how much of their time would still remain with the school district and how much of it would be allocated to other initiatives of the Health Department. Dr. Logan stated as well, if a group of people were under the auspices of an agency then they were vested. So, he stated, by reporting to another agency they would tend to lose that sense of ownership to the previous agency. Dr. Logan stated it appeared to him by reading the reports that the school district was paying the nurses a little better now than the County, so would they be asking the nurses to take a pay cut or would the Health Department raise their salaries.

Chairman Lucier stated they would talk with the Health Department in greater detail about that. He asked how it worked with the Sheriff's Department and the School Resource Officer; that is, were they employees of the Sheriff's Department or the school system. Ms. Little responded they worked for the Sheriff's Department and the County billed the school system for those services.

Chairman Lucier stated that seemed to work well in terms of a sense of ownership. Dr. Logan stated it was important to remember that the officers were based at the schools, they came to work everyday at the schools, and they reported to the principals.

Chairman Lucier stated one issue he was concerned about was that school nurses spent a lot of time on their paperwork rather than doing actual school nursing activities. He stated he believed nurses were incredibly important and needed to have a stronger presence in the schools than they had now. Ms. McManus remarked that that same paperwork was required by the State. Chairman Lucier stated rather than the nurses doing the paperwork, he would rather see a system where it was someone's job to do the paperwork for them so that they could be dedicated to nursing services.

Ms. Coleman stated with current resources they did not have the support to provide administrative assistance. She stated she would be happy to address that during their review on Thursday.

Chairman Lucier stated he believed that would be more appropriate than doing that now. Dr. Logan asked if the schools could participate in that discussion on Thursday. Chairman Lucier replied certainly. He stated no final decisions would be made until they had gone through all the issues, but believed the School Board had heard it would be appropriate that the Newcomers and the ESL program funds that were obtained through stimulus funding could be redirected to fill up other gaps created by cuts in State funding. Chairman Lucier stated he also believed that there was no intent by the Commissioners to change the Manager's recommendations for the flat budget, realizing that the schools were already experiencing State cuts. He stated they believed that the educational system was critically important and they wanted to do whatever possible to improve that system.

Chairman Lucier stated they would talk at a later time regarding the capital outlay and capital improvements, both coming out of Fund Balance, and totaling this year about \$2 million. Dr. Logan stated that most of their projects were at \$100,000 or less. Chairman Lucier stated he believed decisions would all be made by June 15.

### **LUNCH BREAK**

The Chairman called for a short lunch break with the meeting to resume at 1:30 PM.

### **CENTRAL CAROLINA COMMUNITY COLLEGE**

Chairman Lucier stated he believed that CCCC's budget was fairly straightforward, but there were a couple of issues they needed to discuss. He stated one was the green building/sustainable programming position. Chairman Lucier asked were they on target regarding the building. Ms. Paschal stated that bids were expected to be returned by June 24, with construction expected to begin by August 1 with completion expected in roughly a year.

Chairman Lucier stated was that both the library and the CCCC buildings. Ms. Paschal responded yes, noting there would be an impact on next year's budget.

Dr. Bud Marchant, Central Carolina Community College (CCCC) President, stated he wanted to thank the Commissioners and tell them how much CCCC appreciated their support. He stated the Commissioners had truly stepped up to the plate by working with them to ensure that training and educational opportunities were available for their citizens. Dr. Marchant stated they had some exciting things going on at CCCC, possible the most exciting taking place in the State in terms of training and working with developers. He stated that the budget they had submitted was the same amount as last year, but they were asking that in order to help them continue to move forward with their green training initiatives, that if there were any additional funds available that it be allocated to CCCC.

Dr. Marchant stated they had submitted a one-page report on some of the green training initiatives, noting that many of those were unique to the State. He stated that sustainable agriculture, biofuels technology, ecotourism, solar panel installation, and those types of things were offered no where else in North Carolina. Dr. Marchant stated that with the Governor's initiative called the JobsNow 12/6 program, they would be adding some additional short-term training programs and many of those would be based at the Chatham County campus. He stated in addition, they were working hand and glove with the people at Uniboard and were doing all the training for their expansion there. Dr. Marchant stated the training schedule went through 2011 as they ramped up to hopefully become the flagship of their entire organization.

Dr. Marchant stated if the Commissioners wanted to talk about any of the line items in the budget, they would be happy to do so. He stated while they did focus a lot on green initiatives, they did a host of other programs at their Siler City campus and also had extensive programs with the high schools. Dr. Marchant stated they had a program that would soon be copied by both Lee and Harnett Counties where they taught English as a second language in conjunction with the public schools, where CCCC taught the adults while the schools tutored the children in the evenings. He stated they had realized genuine success in raising the test scores of the children involved. Dr. Marchant stated they had a lot of partnership with the schools and would be expanding that after they completed the Siler City site and had the classroom space for use in the afternoons for high school students for career training and other programs.

Chairman Lucier stated they also appreciated what CCCC did for the community and had a lot of enthusiasm for their programming because the Commissioners recognized the importance of the community college system in Chatham County. He stated the training offered by CCCC would allow them to take advantage of alternative energies, such as the recent start-up of the ecotourism certification. Chairman Lucier stated that was an example of something they had needed to do for some time, noting they were blessed with so many natural resources including Jordan Lake and the three rivers that ran through the County. He said that ecotourism was just another example of how they were working with the community college system. Dr. Marchant reiterated how much they appreciated the County's support, noting they had done a great job in supporting them and encouraging them to look for new and exciting ways to train the citizens of Chatham County.

Chairman Lucier stated they had talked with the school system earlier about developing as many job initiatives as possible in order to take advantage of the community college system, noting that the public schools had a responsibility to train for the future of all students. Dr. Marchant stated he and Dr. Logan had spoken many times about CCCC being a link between those students who would be naturally transitioning from high school to the community college

or would find ways within the high school curriculum to get college credit and enter the job market with greater skills than they would have had with just a high school education.

Chairman Lucier stated he believed that educational technical training was absolutely essential, noting they had discussed earlier with the schools about converting the cosmetology lab into a barbering lab in collaboration with CCCC. Dr. Marchant stated it was their hope they could find a way to do that, noting they had a great deal of interest in offering that program and putting people to work.

Commissioner Kost stated the school system had said today that they had been informed that utility costs would increase by 10%, but she noticed that CCCC was keeping their utilities line item flat. Dr. Karen Allen stated that they had gone through an energy audit 18 months ago and had been working to carry out those recommendations since that time as well as some general common sense types of things to reduce their energy costs.

Wayne Robinson, Vice President for Administrative Services, stated in order to be able to subsist in the coming year on the same amount of funding for energy costs they would be resetting thermostats by 2 degrees in both summer and winter. He stated he did not believe they could stay on budget the coming year without doing those types of things.

Commissioner Kost asked if they were coming in under budget this year. Mr. Robinson stated they were.

Commissioner Vanderbeck asked if that new set point for the thermostats would be at 78 which was the federal level. Mr. Robinson stated they would be at about 76 degrees at this point. He stated they were selling education and the students needed to be comfortable while learning. Commissioner Vanderbeck stated when visiting the facility he noticed that a lot of the doors to the classrooms were open and there were a lot of common hallways, but, they had separate zones. So, he stated, they were defeating their purpose because the outer doors were opening and closing constantly in those common areas and the classroom doors stayed open. Mr. Robinson said ideally those classroom doors should remain closed to maintain the integrity of those zones.

Commissioner Kost asked if the County was funding the arts incubator at the community college. Dr. Allen stated they housed a sculpture program at the arts incubator and they had a full-time curriculum program as well as a good number of continuing education classes. Commissioner Kost asked if the budget was for program costs. Dr. Allen responded no, that was rent on the building, and explained what the other costs were allocated for.

Commissioner Kost asked when the new building was completed would that program stay in the downtown or would it move into the new facility. Dr. Allen stated there would be a piece of the program that would move to the new facility, but they had not planned to move what was currently there now. She added that the incubator was depending on them. Mr. Robinson added they were depending on them as well.

Chairman Lucier asked Dr. Marchant to explain what the proposal was for the green building coordinator. Dr. Marchant responded they had not included it as part of the budget, but if the County could find the funds they would like to move their part-time green program coordinator to full-time. He stated they would very much like that to be considered. Chairman Lucier asked what the additional cost would be. Dr. Marchant stated an additional cost of \$18,344. Chairman Lucier asked was there a possibility that could be funded with stimulus funding. Dr. Marchant stated they were looking at every option, but they believed that with the amount of green-related programs that were going on that they needed that position to be full-time to better coordinate those programs.

Chairman Lucier stated that was probably true, noting they had talked about the possibility of that person having some responsibilities with the County and its Green Building Task Force and perhaps serving as its chair. He asked if there were any possibilities of that as they activated the Sustainable Communities Department. Ms. Paschal responded she believed they would have to talk with CCCC about any shared positions, noting she knew of no reason why they could not at least explore that.



Mr. Robinson stated that position was normally and should be paid from State funds, but they were in doubt about the State budget at the present time. He stated they were potentially facing a 10% to 11% budget cut which would certainly not allow for adding any positions but in fact would be looking for positions they could cut.

Chairman Lucier stated they had a Green Building Task Force which would be a part of, along with other elements including the Planning Department, the Sustainable Communities Department. He stated they were looking for novel ways to provide some staff support for those initiatives, and in the case of the Green Building Task Force they would be responsible for providing advice to the Commissioners on sustainable technology and energy conservation, and perhaps even some economic development issues. Chairman Lucier stated that Task Force would in the not too distance future become the Green Building Advisory Board, and it would be preferable if they could work together to get what they needed and for CCCC to get what they needed. Dr. Marchant stated that would allow them to move forward with the position and promoting those green training programs. He stated that at the point when the economy improved they believed they could fund that position from State funds.

Commissioner Kost stated they could potentially make it a full-time position with three-quarters being funding through CCCC. Dr. Marchant stated that cost sharing would be a stop-gap measure until State funding could be assured, perhaps through stimulus funding. He stated they would move forward with their initiatives regardless.

Commissioner Thompson stated they were only talking about moving that position from 30 hours to 40 hours per week. Dr. Marchant agreed.

Chairman Lucier stated he believed they should work through that with Ms. Paschal, noting the County needed some support for its green building initiatives and leveraging with CCCC seemed like the appropriate avenue to do that.

Commissioner Kost stated they definitely needed to know how much money they were talking about. Dr. Marchant stated they could very quickly provide that to Ms. Paschal.

Commissioner Vanderbeck asked would the community college be open to participating in collaborating on performance contracting with the schools and the County to help nail down costs in the future. He said they could develop a plan that went further than what they were doing now to remove inefficiencies in their system. Mr. Robinson replied they would be open to that.

Chairman Lucier stated on page 72 there was a pie chart with the total budget for the community college system, and assumed that included Harnett, Lee, and Chatham County. Ms. Paschal responded yes.

Chairman Lucier stated but that chart did not include the capital projects. Mr. Robinson responded that it did include capital projects, noting the figures had been taken from the total overall budget that they submitted to the State each year. Chairman Lucier stated that since they had paid for the building separately those funds did not go into the community college system. Mr. Robinson said it would only include the current Siler City program that would be shown in their capital outlay.

Ms. Paschal stated there were also construction projects ongoing in the other counties as well. Mr. Robinson stated that was correct.

Chairman Lucier stated they had the numbers for the operating expenses and the capital outlay, but really nothing for this year except for the building itself, for a total of \$546,000, but that included grants and special programs of \$68,000. Ms. Paschal stated the difference between what was requested and the budget figure in the budget document was the debt service. She stated that the Public Assistance Grant-Special Programs was the cost for the art incubator.

Commissioner Vanderbeck stated that the school system was going to do away with personal refrigerators, microwaves and other appliances except in break rooms, and asked if they were planning on doing something similar for additional energy savings. Dr. Marchant stated they were moving in that direction, but some habits were hard to break. He stated they were also removing extra lamps as well. Commissioner Vanderbeck asked had they priced out a reverse

osmosis water system, especially given Pittsboro's current challenge regarding their water system. Dr. Marchant responded they had not.

### **CAPITAL PROJECTS**

Chairman Lucier stated they had spent a lot of time on capital projects over the winter, and the question now was what had changed and was there anything else they wanted to change.

Ms. Paschal stated on pages 28 and 29 was an explanation of each capital project that was scheduled for the current year and the status. She stated that the projects that were continuing as proposed were replacing the emergency communications equipment, the satellite backup for the 911 system, asbestos ceiling tile replacement in Chatham Central and Jordan Matthews High Schools, asbestos floor tile replacement in five schools, bleacher replacements at three schools, camera systems for schools, renovation of high school science labs, renovation of restrooms and adding hot water at schools, and renovating the wastewater system at JS Waters. Ms. Paschal stated all of those projects would continue as noted in the adopted CIP.

Chairman Lucier stated he assumed they would be checking to identify any savings associated with those projects. Ms. Paschal stated they would, and would be reporting back to the Commissioners on that. She stated that on page 29 were the projects that had changed. She said first was the scanning/imaging/electronic document management system, which historically they had budgeted \$100,000 a year but instead had appropriated \$50,000 from the balance to be diverted to help fund the second project. Ms. Paschal said that second project was to increase capacity for data storage, which had originally been scheduled for next fiscal year but they were running out of server space more quickly than anticipated. She said instead of purchasing additional servers it was more practical to move forward and purchase a much more flexible system, using a \$100,000 transfer from the scanning/imaging/electronic document management system program and \$57,000 from Fund Balance.

Ms. Paschal stated they had again delayed the planning for the Law Enforcement Site Improvements project, which would provide additional parking and an access road at the Law Enforcement Center and Emergency Operations Center. She stated they had budgeted almost \$19,000 for design services, but they were recommending delaying that again primarily because they did not believe they would be able to fund the actual improvements next year.

Ms. Paschal stated they were also delaying the Radio Frequency Identification system for the library, noting there was no need to move forward with the project because the building itself had been delayed a year.

Commissioner Kost asked if the Library came in under budget, could those funds be allocated for that identification system since it was a part of operating the library. Ms. Paschal replied yes. She stated the last project was the Mobile Data Terminals for the Sheriff's Office. Ms. Paschal stated that Part I had been approved already, so they were in the process of purchasing the software and equipment to put the laptops and the automatic vehicle locators in the vehicles. She said in talking with the Sheriff it made sense to go ahead and delay that because they expected the rollout the first year to be a lot sooner than the end of this fiscal year, so there were issues that needed to be worked out to make sure that they had the right software and had fully tested the pilot program before they went forward with full scale implementation.

Chairman Lucier asked had they had problems with that already. Ms. Paschal stated they had had issues with the positron software but that had already been replaced and was working to their satisfaction.

Chairman Lucier stated the review Ms. Paschal had provided included only the items that affected this year's budget, so she had not covered, for instance, the new northeast high school. Ms. Paschal stated that was correct. Chairman Lucier stated those funds would not be spent on that project until 2011. Ms. Paschal stated it was either 2011 or 2012, she was not sure. She stated they did not typically update the CIP budget until the fall, and the extent of her review was on the projects that were scheduled for next year and whether or not it made sense to move forward on them. Ms. Paschal stated in the fall they would look at all projects in total, including updating the debt model based on fewer impact fees and a different debt structure than they had

originally planned. She stated she believed there would be some impacts on capital projects but they did not know what they were at the present time.

Chairman Lucier asked about any impacts on Briar Chapel middle school, scheduled to open in 2010. Ms. Paschal stated those funds had already been secured and the project was moving forward. Chairman Lucier asked was that budget \$24 million including contingency, and how much was the contingency. Ms. Paschal stated she would have to look that up.

Commissioner Kost stated she believed it was 5%.

Chairman Lucier stated they would need to do the same thing they were doing at Northwood, which was to monitor the costs and see if any funds were left over from that project. He stated if there were any funds left over they would have to be used at the middle school. Ms. Paschal stated that was correct, noting they would use it to pay the debt.

Commissioner Kost asked was it structured so they could draw it down. Ms. Paschal stated they had the money in their account, so the leftover funds would be used to draw down the debt.

Commissioner Vanderbeck stated that part of the park at Briar Chapel would be used by the schools, so in keeping with that could part of those funds be used for that part of the park system that was used by the schools. Ms. Paschal stated if it was on Briar Chapel's property, the answer was yes.

Commissioner Kost stated it was not a part of the same parcel as Briar Chapel.

Commissioner Vanderbeck stated then those funds could not be used. Ms. Paschal replied that was correct.

Chairman Lucier stated then they would be quite limited. Ms. Paschal stated that was correct. Chairman Lucier asked were there items left out of the school for cost reasons that could be added back in to improve the school. Ms. Paschal replied yes. Chairman Lucier stated then they needed to be thinking about what those were so they could be considered based on whatever funds remained.

Commissioner Vanderbeck stated that some of those items may have been items such as a library that would add to the quality of education.

Commissioner Kost stated they had already borrowed the money, and she believed you could supply a building for a certain number of months with capital financing. Ms. Paschal asked was she referring to operating costs. Commissioner Kost stated no, that she was talking about supplementing the opening of the building, for example, purchasing vacuum cleaners. Ms. Paschal stated that would be possible.

Chairman Lucier stated then furniture could be purchased from those funds. Ms. Paschal stated yes, noting that was included in the budget of \$24 million, along with computers and other items.

Chairman Lucier asked what would be discussed at Wednesday's meeting. Ms. Paschal replied the Enterprise Fund, Revenues, Salaries and Benefits, Non-Departmental, and the Attorney.

Chairman Lucier asked if David Hughes would be present for the discussion on water and solid waste. The County Manager replied yes.

Commissioner Kost stated they would also be discussing water capital. Ms. Paschal agreed.

## **ADJOURNMENT**

Commissioner Cross moved, seconded by Commissioner Thompson, to recess the Work Session until Wednesday, 9:00 AM in the Dunlap Building Classroom. The motion carried five (5) to zero (0) and the meeting was recessed at 2:06 PM.

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George Lucier, Chairman

ATTEST:

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