

MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
BUDGET PUBLIC HEARING
MAY 21, 2009

The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the Siler City Courthouse, 311 North Second Avenue, Room 200, located in Siler City, North Carolina, at 6:00 PM on May 21, 2009.

Present: Chairman George Lucier; Vice Chair Sally Kost; Commissioners Mike Cross, Carl Thompson and Tom Vanderbeck; County Manager, Charlie Horne; Assistant County Manager, Renee Paschal; and Finance Officer, Vicki McConnell

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

Budget Agenda

Chatham County Fiscal Year 2009-2010 Manager’s Recommended Budget

Charlie Horne, County Manager gave a brief overview of the proposed budget. Renee Paschal, Assistant County Manager, gave a power point presentation on the proposed Chatham County Fiscal Year 2009-2010 Manager’s Recommended Budget. Highlights are as follows:

CHATHAM COUNTY IN BETTER SHAPE THAN MOST:

- State has \$3.2 billion shortfall, 15% of its budget, for the current budget year
- Chatham County’s projected 2009 shortfall is \$458,000, **or 0.6% of its budget**
- Most county revenue sources are down, reflecting a statewide trend.

PROPOSED TAX RATE: Recommended tax rate is **60.32 cents per \$100 valuation** (revenue neutral rate)

- Current tax rate is 65.3 cents

GENERAL FUND BUDGET:

- Proposed \$80,995,467 General Fund budget is **3% lower than the current budget**
- Actually **7% lower** when required debt payments are excluded
- Departments identified the majority of the reductions in the budget

SPECIAL FUND BUDGETS:

- Water Fund: \$6,272,970, up 19% (due to required debt payments)
- Waste Management: \$3,691,921, down 7%

KEY BUDGET CUTS (7% total):

- Suspension of pay-for-performance (merit) salary increases earned this year by County employees
- Postponement in implementing pay plan to bring employees up to minimum of their pay range
- No funding of several vacant positions and continued suspension of non-essential travel

SCHOOL FUNDING:

- Fully funds the school capital improvement plan so that existing facility projects stay on schedule
- Holds other school capital outlay to \$1 million
- No increases in current expense funding, including school salary supplements

LIMITED NEW ITEMS: Several save money or no cost. **Total net cost is \$234,553**, or 0.28 cents on the tax rate

- **Library:** Services to complete the county’s separation from Alamance County Library’s system (**net savings \$1,499**).
- **Sheriff:** Retention of two positions previously funded by grants, including a domestic violence investigator (**net cost \$30,356**) and criminal enforcement/K9 team field supervisor (**net cost \$23,331**).

- **Planning:** Update of county's land use plan (**net cost \$60,000**) and new transportation planner (**net cost \$59,634**)
- **911 Communications:** Temporary salaries for 911 dispatch to provide four supervisors per shift (**net cost \$61,232**)
- **Storage Area Network:** Enhanced data storage and capacity to continue operations due to a disaster (**net cost \$0**)
- **Waste Management:** Purchase of forklift and ramp for baling recyclables, partially funded by a grant (**net cost \$0**)

COMMISSIONER GOAL HIGHLIGHTS:

Meets other County Commissioners' goals: providing matching funds for a bus route between Pittsboro & Chapel Hill; indexing growth in nonprofit funding to annual growth in property tax revenues; thoroughly reviewing fire department budgets; funding administrative position for Economic Development Corporation to keep office open during work hours (while still reducing EDC's budget by 27%); and enhancing overall budget document.

IMPACT OF 2009 REVALUATION ON TAX BASE:

Initially showed growth of 24% in countywide real property values, but adjusted to 15% growth due to revaluation appeals and declines in other tax values (vehicles, business personal property, etc.)

DEFINITION OF REVENUE NEUTRAL TAX:

A revenue neutral tax rate is the tax rate necessary to generate the same revenues produced by the tax rate in FY 2008-09, but adjusted for average annual growth in revenues **since the last revaluation**. Each property owner will be impacted differently

FUND BALANCE: Expected to end the next fiscal year with a sound fund balance of 24%, **well above goal of 20%**.

MANDATED COSTS: For FY 2010, the part of the County budget that goes toward mandated services **increased from 70% to 73%**.

The Chairman opened the floor for public comments on the newly proposed budget.

Joan Thompson, 72 Smokey Hollow Trail, Siler City, NC, president of the Siler City Farmers Market Association, encouraged the Commissioners to fund the request for a farmers market shelter. She said the farmers market needs a more permanent structure, and that the farmers market is working with the Arts Incubator to support downtown.

Denise Dunn, 906 Bear Creek Road, Bear Creek, NC, president of the Siler City Merchants Association, stated that she was speaking to support the farmers market structure. She said the farmers market shelter has the potential to serve 13,000 residents and would be available for art shows and educational art demonstrations; that the Merchants Association is in the process of obtaining its non-profit status and should have it within five to six weeks; that the Merchants Association has formed a partnership with the Fair Association called Everything Chatham; and that the Merchants Association is working collaboratively with the Pittsboro Merchants Association and the Economic Development Corporation's Buy Local campaign. She clarified that the Town of Siler City was approached about funding, but was not able to fund nonprofits this year. She said the Town of Siler City will help with grading, picking up trash at the site, and in other ways.

Mary Bastin, 22 Fearington, Pittsboro, NC, secretary of the Siler City Merchants Association, stated that the group was in the process of obtaining a 501c3 nonprofit designation. She stated that the structure they are proposing to buy can be moved. Commissioner Thompson asked her if they were working with other farmers markets. Ms. Bastin replied, "Yes." She said the organization was trying to create a place where people could earn an income. She stated that that they also want local residents to be aware of what they can purchase locally. Commissioner Thompson stated that the Fair Association wholeheartedly endorsed the program.

Chairman Lucier thanked the Siler City Merchants Association for their work.

Denis de St Aubin, 524 Pine Forest Drive, Siler City, NC, chairman of the board for the NC Arts Incubator, recounted the history of the organization. He stated that ten years ago, leaders in Siler City saw the potential for the incubator with more than 2,000 registered artists in and around Siler City; that the group worked with Central Carolina Community College to

develop the incubator as a way to reinvent the town that was suffering from losses of industry; that since that time, the incubator has produced 13 store fronts in downtown Siler City and created jobs from remodeling of space; that the long-term goal is to improve the quality of life in Siler City so that it will be attractive to businesses; and that because of the current economic situation, he explained that Siler City was no longer able to fund the executive director position for the organization.

Chairman Lucier asked what the organization's main request was. Mr. de St. Aubin replied that it was for funding for the Executive Director. Vice Chairman Kost asked how much funding they were requesting. Mr. de St. Aubin replied, "\$50,000 would be great." He stated that the town had been funding the organization at \$25,000. He stated that the NC Arts Incubator did not apply for County funding because they found out too late that Siler City would not be funding them.

Kim Caraganis, 285 River Bend Road, Siler City, NC, stated that she had submitted a request for two programs run by her organization, Chatham Together!. She said that her organization has eight employees and a \$500,000 budget. She explained that 20% of the budget comes from fund raising, and employees received no pay raises last year; that the first program, Governors One on One, served 21 children last year; that the program targets children involved with court or referred by law enforcement; that the agency is losing funding from the Triangle Community Foundation because the grant has expired; that the second program, the United Way volunteer match, matches children with mentors; that they receive referrals from schools, social services, parents, etc.; that this program is preventive and works with children that are not in trouble; and that the program also serves children who haven't been matched with mentors with various activities. She pointed out that these programs address three of the Commissioners' priorities. She thanked the Commissioners for their support.

Chairman Lucier pointed out that she requested \$34,000, but was funded \$27,625, the same as last year. Ms. Caraganis stated that she was requesting more funding. Vice Chairman Kost pointed out that Chatham Together! had lost \$16,500 in funding from the State for the Governors One on One Program.

Tori Mazur, 307 E. Dolphin Street, Siler City, NC, vice president-elect of the North Carolina Association of Educators, stated that she had lived in Siler City for one and one-half years and was a teacher at Virginia Cross Elementary. She said that she had protested the cuts made by the Governor; that since her pay would be cut, so would her contributions to nonprofit agencies and spending at local businesses. She asked the Commissioners to fund fully the request from the Board of Education to keep teachers and teaching assistants and to help make up for cuts in the state budget.

Chairman Lucier stated that Commissioners fully supported improving education and had worked with the school system to improve teacher pay and facilities.

Diana Hales, 528 Will Be Lane, Siler City, NC, stated that she was speaking in support of the Rocky River Heritage Foundation. She asked Commissioners to fund the organization at more than what was recommended. She said the organization is seeking large grants for studies of the Rocky River to build the case for cleaning up the river; that having the County as a partner is very important to potential funders; that grants they are applying for include Disney Wildlife, Mott Foundation, and Z Smith Reynolds. She pointed out that past County funding had helped leverage \$344,000 from the Environmental Protection Agency (EPA). She said the State does not do a good enough job of designating impaired streams and cleaning them up because of lack of funding. She asked the board to fund fully the organization's request. Chairman Lucier said that the organization had leveraged a small amount of funding into much more. He pointed out that non-profits, in total, leveraged \$20 million from County funding, so that for every \$1 the County spends, \$60 is raised.

Richard Bradley, 929 NC 87 North, Pittsboro, NC, stated that he would be paying \$115 more in property taxes because of revaluation. He said that tax delinquencies will increase because people who don't have jobs won't be able to pay their taxes. He asked The Commissioners to lower the tax rate.

Chairman Lucier responded that the budget was lean and that no pay raises were included; that departments had cut their budgets, while demand for service has increased. He

said that local government is in an extremely difficult position to provide increased services with reduced revenues. Commissioners Vanderbeck and Thompson stated that they would make every effort to reduce the tax rate.

Judy Morris, 807 Cliffwood Drive, Siler City, NC, speaking on behalf of the West Chatham Food Pantry, stated that the organization had made adjustments in the amount of food they give and how often because of the economy. She said the organization gives 150 back packs to schools; and that the organization had requested funding from the Town of Siler City. She asked the Commissioners to provide funding.

Commissioner Lucier thanked the audience for their comments. He stated that Commissioners would begin work on the budget June 1, beginning with the schools. He stated that they could contact the County Manager's Office for a schedule of nonprofit discussions.

Chairman Lucier closed the public hearing.

ADJOURNMENT

Commissioner Vanderbeck moved, seconded by Commissioner Kost, to adjourn the meeting. The motion carried five (5) to zero (0) and the meeting was adjourned at 7:30 PM.

George Lucier, Chairman

ATTEST:

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