

PERSON COUNTY BOARD OF COMMISSIONERS

JUNE 10, 2013

MEMBERS PRESENT

OTHERS PRESENT

Jimmy B. Clayton

Heidi York, County Manager

Kyle W. Puryear

B. Ray Jeffers

Brenda B. Reaves, Clerk to the Board

Frances P. Blalock

David Newell, Sr.

The Board of Commissioners for the County of Person, North Carolina, met in recessed session on Monday, June 10, 2013 at 6:00 pm in the Commissioners' meeting room in the Person County Office Building for the purpose of a budget work session.

Chairman Clayton called the meeting to order. Commissioner Puryear was absent until 6:08 pm.

DISCUSSION/ADJUSTMENT/APPROVAL OF AGENDA:

A **motion** was made by Vice Chairman Jeffers, and **carried 4-0** to approve the agenda.

County Manager, Heidi York informed Board members of the handouts at each seat which included an agenda, balance sheet, Recreation, Arts and Parks spreadsheets, agenda abstract related to the Juvenile Crime Prevention Council funding request and information on the Recycling Center that Commissioner Newell had requested. Ms. York reminded the Board of the updated questions documents located in their Drop Box in the folder titled FY2013-14 Budget.

BALANCE SHEET:

Finance Director, Amy Wehrenberg presented the Board with the following Balance Sheet noting various adjustments to the budget equate to a shortage of \$76,204 from a balanced budget. Ms. Wehrenberg stated any changes to revenues are included in the column titled Revenue changes, and any changes to expenditures should show in the column to the far right. Ms. Wehrenberg outlined the total revenue changes which included the addition of \$3,500 for farmer's market dues. Ms. Wehrenberg explained the Farmer's Market Board had initially asked to manage these funds utilizing their own bank account, but due to some last minute changes, they decided to request that the County continue to manage their funds therefore; this funding was restored as an adjustment to the recommended budget. Ms. Wehrenberg told the group the total changes to expenditures thus far totals \$79,704. The net difference between these two is the figure highlighted in green for a shortage of \$76,204 due to adding more expenditures than revenues. Ms. Wehrenberg explained expenditure changes included an increase to the part-time budget for the Board of Equalization and Review Board in the Tax Administration Department due to the latest increase in the appointed member's pay in the amount of \$3,886, a salary adjustment for an IT Department position required to correct the Recommended Budget due to a probationary increase was not included in the

Recommended Budget in the amount of \$2,694. Ms. Wehrenberg noted the next item reflected a reduction in the salary line in Cooperative Extension for \$7,231 to allocate costs associated with the Stormwater administration noting this was an omission discovered after the Recommended Budget was presented. Ms. Wehrenberg noted the new On-call program was finalized after the Recommended Budget was presented causing a needed adjustment in the Public Health Department's on-call line to reflect the new program being implemented and the net increase for the Health Insurance plan decision was \$35,364. Other effects from the Health Insurance option chosen were recognized in two grant-funded departments to maintain the required County and Grant match in VIP and 4H YES totaling \$3,543. The group health insurance change affected what was needed in PI and the MRF by \$15,938. This change is reflected in the General Fund's amounts above for the Health Insurance adjustment. Ms. Wehrenberg stated a correction in the location of the fire alarm phone line costs to be in the Fire Marshal's budget noting this was budgeted incorrectly in the Inspections Department, netting a zero change; and lastly, the re-establishment of the farmer's market costs, offset by the \$3,500 revenue adjustment at the top. Ms. Wehrenberg summarized that the net revenues over expenditures so far are \$76,204 with the adjustments described above.

Adjustments to Recommended Budget

Department	Explanation of Change	Revenue Changes	Expenditure Changes
General Fund			
	Recommended Budget	54,430,982	54,430,982
Revenues	Farmer's Market Dues (10040-345411, pg. 43)	3,500	
Expenditures	Part-Time for ENR Board (Tax Administration, pg. 50)		3,886
	Salary & fringe adjustments (Info Technology, pg. 46)		2,694
	Stormwater admin costs (Cooperative Extension, pg. 82)		(7,231)
	On Call & Fringes (Public Health, pg. 100)		45,034
	Health Insurance Plan (Department-wide)		235,364
	Health Insurance Deductible Initiative (Contingency, pg. 95)		(200,000)
	Group Health Insurance effect on operating costs (VIP, pg. 61)		(2,362)
	Group Health Insurance effect on operating costs (4H YES, pg. 59)		(1,181)
	Fire alarm phone line costs (Inspections, pg. 68)		(2,484)
	Fire alarm phone line costs (Fire Marshal, pg. 71)		2,484
	Farmer's Market Costs (Cooperative Extension, pg. 82)		3,500
	Total Amended General Fund Budget	54,434,482	54,510,686
	Revenues over Expenditures		(76,204)
	Difference of Amended Changes over (under) Recommended	3,500	79,704
Person Industries and Material Recovery Facility - Special Revenue Fund			
	Recommended Budget	2,688,224	2,688,224
Revenues	Transfer from General Fund for PI (pg. 118)	12,632	
	Transfer from General Fund for PI/MRF (pg. 118)	3,306	
Expenditures	Group Health Insurance increase (pgs. 120-121)		15,938
	Total Person Industries and Material Recovery Budget Facility Fund	2,704,162	2,704,162
	Difference of Amended Changes over (under) Recommended	15,938	15,938
Total Amended Budget FY 2013-14		58,220,672	58,296,876
	Revenues over Expenditures		(76,204)
Total Difference of Amended Changes over (under) Recommended		19,438	95,642

Vice Chairman Jeffers suggested using a new term in lieu of Fire Marshal.

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KIRBY OPERATING COSTS & FEES:

Recreation, Arts and Parks Director, John Hill was available to answer questions from the Board related to Recreation, Arts and Parks, and in particular the Kirby operating and costs as well as fees. Mr. Hill explained the partnership between Person County, Piedmont Community College (PCC) and the Arts Council in regard to the cultural arts position which is funded two-thirds by PCC and one-third by the County.

Mr. Hill noted the fee schedule included adjustments in 2011/2012 with a few minor changes in 2012/2013. Commissioner Newell suggested the fee be increased for a rental to a private for profit to \$500 which would be a \$200 increase. Mr. Hill countered that the fees charged were based on socio-demographic data as well as county population as recommended by the state. Commissioner Newell noted his desire not to subsidize private entities' profits. Mr. Hill stated he and PCC share the same goal to gap the bridge of expenditures and revenues noting the transition of such has improved over the last three years. Vice Chairman Jeffers stated his favor of improved efficiency versus raising fees. The group discussed utility issues around the insulation, programmable thermostats, renovations to the Kirby upstairs area, and the scheduled roof replacement. County Manager, Heidi York stated the utility costs were not listed on the Recreation, Arts and Parks spreadsheets due to all utility costs were housed in the General Services budget. Ms. York stated the Kirby's annual utility cost is \$20,000. Commissioner Newell felt that data missing from the individual program budget lines was misleading of the Kirby's full operating costs. Ms. York responded that the utility fees could be put back into the individual program's budgets however due to grants for stimulus funding and to track trends, the utility fees for all departments were placed into the General Services' budget to increase efficiency and potential savings. Vice Chairman Jeffers supported the utilities being housed in General Services to create efficiency and to track the data but stated opposition to increasing fees for services to which the tax payer was already paying for with their county taxes.

Commissioner Blalock suggested Mr. Hill to consider asking the high school carpentry class to install partitions to enhance dressing room space as a school project. Commissioner Blalock noted the combined total of \$319,359 in revenues and total expenditures of \$1,042,034 with a shortage of \$722,675 to operate Mayo Park, the Recreation Department and the Kirby Theatre. Mr. Hill stated his department's goal and the goal of the Recreation Advisory Board is to increase participation to stimulate revenue noting his department provides vast public services to the community to which may never breakeven. Vice Chairman Jeffers stated resources are required to make profit and the Recreation Department has limited resources currently, much less than five years ago.

Ms. York reminded the group of a request at the budget public hearing to create a focus group for input related to improvements at the Kirby.

JUVENILE CRIME PREVENTION COUNCIL FUNDING REQUEST:

Recreation, Arts and Parks Director and Chairman of the Juvenile Crime Prevention Council, John Hill addressed the Board related to the FY2013/2014 funding request and recommendation. Annually, funding is made available through the North Carolina Department of Public Safety / Division of Juvenile Justice to Person County and its Juvenile Crime Prevention Council (JCPC) to be utilized to address the needs of youth at-risk for delinquency as well as adjudicated undisciplined and delinquent youth in Person County. The funding comes in the form of a county allocation. All 100 counties in the State of North Carolina are allocated funds based on the population of youth in the county between the ages of 10 and 17. Person County will receive \$123,213 in its projected allocation from the North Carolina Department of Juvenile Justice and Delinquency Prevention for FY14. In order to receive JCPC funding from the State, counties must provide a 20% match. The total amount of money required for allocation in FY14 could range from \$126,000 to \$147,000, depending on the amount allocated to JCPC administration. The amount allocated to JCPC administration does not require a 20% match, so the more money allocated to administration the less the county is required to pay in the form of a match. In the past, the county has provided more than a 20% match. However, the FY14 recommended budget does not provide any funding above the 20% required match.

JCPC conducts a planning process annually which includes an array of legislated tasks: a review of the community risk factors and the risk levels of youth in the community; an assessment of the needs of the target populations; a review of the service resources available to address those needs; the identification of service gaps; and the strategic development of a plan to structure a seamless continuum of service programming to address the target population needs. As part of the development of the needed services identified in the continuum, there is a request for proposal process (RFP) that is completed by the JCPC. Non-profits and government entities may apply for the opportunity to provide services per the guidelines of the RFP. The JCPC reviews all requests and award is made to service providers to address service needs identified by the JCPC. The JCPC makes its recommendation of expenditure of the allocation and presents its written annual planning documents to the Person County Board of County Commissioners for its approval. The JCPC performs this function as an extension of the County Commission Board in its fulfillment of the legislated duties imposed upon them through general statute. Additionally, on an on-going basis, the JCPC evaluates the performance of its funded programs by annually monitoring each program through on-site visits and also monthly through program reporting at the local monthly JCPC meetings. The JCPC is also charged with the tasks of increasing public awareness of the causes of delinquency, addressing strategies to intervene and appropriately respond to and treat the needs of juveniles while at the same time reducing juvenile recidivism. The JCPC stands ready to respond to the changing needs of youth and service delivery in the community.

Mr. Hill stated the Person County Juvenile Crime Prevention Council met on May 29, 2013 and unanimously voted to approve the DJJ allocation to be distributed in the following manner for the 2013-2014 fiscal year with a specific alternate request that if the Person County Board of Commissioners choose not to fund any one program provider that the remaining request be granted and divided between all other program providers determined by the Person County Juvenile Crime Prevention Council. The table below shows the match % for FY13 Adopted, FY14 Recommended and FY14 JCPC Requested:

Program	FY12 Actual	FY13 Adopted	FY14 Requested from Programs	FY14 Recommended	FY Requested from JCPC
JCPC Admin	\$1,531	\$1,000	\$1,000	\$6,677	\$1,000
4-H Yes	\$150,184	\$154,413	\$154,413	\$118,857	\$154,413
Roots & Wings Parenting Program	\$3,000	\$10,000	\$13,000	\$13,000	\$13,000
Central Children's Home	\$3,870	\$5,522	\$5,522	\$5,522	\$5,522
Unallocated	\$0	\$0	\$0	\$2,464	\$2,464
TOTAL	\$158,585	\$170,935	\$173,935	\$146,520	\$176,399
Percentage of Match		39%		20%	44%

Assistant County Manager, Sybil Tate noted the difference between the FY14 Recommended budget and the JCPC Request is \$29,879.

It was the consensus of the Board to support the FY14 Recommended funding level as outlined above with the JCPC Admin being contracted out to provide assistance to the JCPC Chair and to fulfill the duty to prepare JCPC meeting minutes.

CHANGES TO RECOMMENDED BUDGET:

Commissioner Puryear requested explanation on the following pages of the Recommended Budget 2013-2014:

Page 45	Admin	\$6,300 increase	Intern salary
Page 46	Info Technology	\$43,500 increase	Laser fiche (new county-wide \$300,000 investment for a document imaging for scanning/storage/search software) operations cost at \$30,000; Barracuda and fire wall at \$10,000 and \$3,500 for the new public safety satellite facility
Page 47	Human Resources	\$13,400 request	Part-time wages not recommended by the manager
Page 49	Finance	\$21,068 increase	Maintenance contract for new payroll and HR software (Munis)
Page 51	Legal	\$480 increase	Air card for internet access for phone and laptop
Page 55	General Services	\$65,000 increase	Utility increases include \$45,000 due to acquiring the old Helena School facilities; \$20,000 increase for lights at walking tracks
		\$79,000 increase	Maintenance/Repairs includes \$4,000 for a roof patch, \$30,000 for EMS garage renovations and \$49,000 carpet replacement on top floor of County Office Building
		\$32,000 increase	Maintenance increase on building and grounds include \$22,000 lift at the Museum to make ADA compliant at newly acquired property and \$10,000 for contingency for garage door at EMS
		Maxway Lease	Remained the same; Utilities for Maxway space \$65,000; maintenance by landlord for items over \$250
Page 57	Roots & Wings	\$3,000 increase	Additional caseload
Page 61	VIP	\$98,955 increase	100% grant funded by the state

Page 62	Sheriff	\$10,350 increase	Employee training needed
		\$45,000 increase	Part time wages increase due to merging deputy reserves budget into Sheriff budget
		Cell phone	Stipend allocated to approved staff
		\$25,000 increase	Maintenance/Repair Vehicles due to aging fleet – current 55 vehicles; request 6 new vehicles; recommended 8
Page 64	Jail	\$115,909 increase	Food Services contract; Board requested future meeting discussion related to the food service contract (5 year contract that requires 120 day notice); contract was bid out in 2008 (Vice Chairman Jeffers requested to see the 2008 bids).
Page 50	Tax Admin.	Contract Services	\$63,455 recommended to cover mailing services, software and web site contracts
Page 104	Reappraisal Reserve	\$75,000	Year 1 set aside funds for buildup to next revaluation
		Reappraisal contract terminates June 30, 2013; Commissioner Puryear stated preference to bid out the contract at this time and not to automatically renew with the same appraisal company. Tax Administrator, Russell Jones advocated and recommended to renew the current contract for an additional 2 years to have the same appraiser available for tax commission state level appeals. The next revaluation process will begin in the next 2 to 6 years. Commissioner Puryear requested the evaluation and performance of the appraiser be reported to the Board and asked the County Manager to attend the remaining Board of Equalization and Review meetings regularly.	
Page 70	EMS	\$62,000 increase	Contract for collection services (NRG) percentage based on debt collected
Page 74	Animal Services	\$12,000 new	Vet Vouchers for spay/neuter program for \$75 pay back if completed after adoption
		\$11,000 increase	Additional costs related to transition from gas chamber to lethal injection

	Fuel Costs	Commissioner Puryear asked if fuel costs are bid out. Finance Director, Amy Wehrenberg stated it was bid out 2 years ago and could be bid out at any point as the County is not obligated to any term with Shell. Commissioner Newell asked if the gas was sold to the County on a fixed priced or a cost plus to which no one knew the answer in the meeting.	
Page 73	Fire & Rescue – VFD’s	Increases on each line	Increased based on call volume was recommended; to fund at the pre-recession levels would require an additional \$15,341
Page 79	Planning & Zoning	\$1,000 increase	Travel/Meetings/Conference increase due to expected professional development
Page 80	GIS	\$2128 recommend	Previously cut all training; manager recommended to reinstate
Page 81	EDC	\$9,443 increase	Full salary over the current partial year of salary
		\$102,000 request	Recommended \$35,000 for the site certification costs on the multi-jurisdictional park with Durham County; the request was based on a market survey.
		\$6,740 increase	Travel/Meetings/Conference increase due to participation in 1 national conference, 4 regional conferences, RTRP meetings, additional CEUs
		The Board discussed the comparable 2008/2009 budget with the last full time Economic Development Director. The County Manager will send along a copy of the FY08/09 budget for Board members’ review.	
Page 89	PCC	\$60,000 request	Legal fees not recommended
Page 90	Recreation, Arts & Parks	\$34,000 increase	Maintenance/Repair for the most critical playground upgrade and for ADA compliance
Page 94	Transfer to Other Funds	\$200,000 decrease	General Fund transfer to the Economic Catalyst Fund for economic incentives; \$200,000 already exist in the Economic Catalyst Fund per the Finance Director.
		\$14,490 recommended	General Fund to PI/MRF for a school recycling grant

Page 95	Contingency	\$100,000 recommended	Employee Market Study Adjustment recommended based on 5 years since last study; will bid out for a contract. Commissioner Puryear suggested the \$100,000 could be cut.
		\$43,478 increase	Property & Liability Insurance costs are transferred to departments based on actual costs
Page 98 & 99	Health	Commissioner Puryear asked if all the funding was state/federal pass-through. Finance Director confirmed with some funding representing local fees assessed.	
		\$181,499 increase	Transfer from General Fund to cover increase in health insurance change and on-call expenses
Page 100	Public Health	\$311,828 increase	Contracted Services increase due to a grant with little to no local match per the Finance Director
Page 101	Env. Health	\$25,000 request	1 vehicle due to be replaced
Page 103	Debt Service	\$376,750 recommended	2014 Rec/Sr Ctr & Reroofing financing debt service payment for principal and interest (projected 15-year term at 3.5% interest which may change at time of financing per Finance Director
Page 110	LEC Restricted	80,000 recommended	Current year federal seizure forfeitures are at \$99,770 and the fund balance for such funds is at \$131,000 and can be used only for limited purposes.
Page 114	DSS Admin	\$31,000 increase	Filing fees pass to the county by the state
Page 116	DSS Programs	\$154,587 increase	LIEAP utility program 100% federal funding
Page 128	Economic Catalyst Fund	Broadband Contract	Removed from recommendation based on the RFP was re-released with bids due by the end of July

Tax Administrator, Russell Jones confirmed one penny value is \$417,719 which includes all levies including sixteen months of motor vehicle taxes. County Manager, Heidi York stated the \$417,719 includes the bonus of the motor vehicle collections noting \$393,000 is comparable to the last year. Mr. Jones noted a one-cent reduction in the tax rate would reduce the revenues by \$418,000. Mr. Jones stated the revenue neutral rate allowing for growth would be .6934. Commissioner Puryear disagreed that the revenue neutral rate should be .66 (not allowing growth).

Commissioner Puryear stated the County will be receiving \$1,570,623 more next year than the current year and did view the current tax rate as the true revenue neutral rate therefore noting he would not be able to support the FY2013-2014 budget as the burden of excessive spending is being placed on the back of the county tax payers.

Vice Chairman Jeffers requested taking the Fire and Rescue budget back to pre-recession funding level including the call volume increase as recommended would increase the budget \$15,341, requested to add to the budget the DSS Children's Medicaid position at \$42,294 with \$21,146 revenue added for the 50% funding split with the state, adjust the undesignated contingency budget from \$200,000 to \$100,000 with the contingency budget for the Employee Market Study be decreased down to \$87,309.

County Manager, Heidi York confirmed implementation of the Employee Market Study would require Board approval.

A **motion** was made by Vice Chairman Jeffers, and **carried 3-2** to direct staff to prepare a Budget Ordinance reflecting the noted changes as he recommended and with keeping the tax rate at .70 cents for adoption at the Board's June 17, 2013 meeting. Chairman Clayton, Vice Chairman Jeffers and Commissioner Blalock voted in favor of the motion. Commissioners Puryear and Newell cast the dissenting votes.

Adjustments to the Recommended Budget as reflected in the motion are as follows:

Adjustments to Recommended Budget

Department	Explanation of Change General Fund	Revenue Changes	Expenditure Changes
	Recommended Budget	54,430,982	54,430,982
Revenues	Farmer's Market Dues (10040-345411, pg. 43)	3,500	
	DSS revenues	21,146	
Expenditures	Part-Time for ENR Board (Tax Administration, pg. 50)		3,886
	Salary & fringe adjustments (Info Technology, pg. 46)		2,694
	Stormwater admin costs (Cooperative Extension, pg. 82)		(7,231)
	On Call & Fringes (Public Health, pg. 100)		45,034
	Health Insurance Plan (Department-wide)		235,364
	Health Insurance Deductible Initiative (Contingency, pg. 95)		(200,000)
	Group Health Insurance effect on operating costs (VIP, pg. 61)		(2,362)
	Group Health Insurance effect on operating costs (4H YES, pg. 59)		(1,181)
	Fire alarm phone line costs (Inspections, pg. 68)		(2,484)
	Fire alarm phone line costs (Fire Marshal, pg. 71)		2,484
	Farmer's Market Costs (Cooperative Extension, pg. 82)		3,500
	VFD increase to pre recessionary		15,341
	Caseworker II - Children's Medicaid Position		42,292
	Contingency		(100,000)
	Market study		(12,691)
	Total Amended General Fund Budget	54,455,628	54,455,628
	Revenues over Expenditures		-

ADJOURNMENT:

A **motion** was made by Vice Chairman Jeffers, and **carried 5-0** to adjourn the meeting at 8:47 pm.

Brenda B. Reaves
Clerk to the Board

Jimmy B. Clayton
Chairman

June 10, 2013