

PERSON COUNTY BOARD OF COMMISSIONERS
MEMBERS PRESENT

JUNE 7, 2011
OTHERS PRESENT

Jimmy B. Clayton

Heidi York, County Manager

Kyle W. Puryear

B. Ray Jeffers

Brenda B. Reaves, Clerk to the Board

Samuel R. Kennington

Frances P. Blalock

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The Board of Commissioners for the County of Person, North Carolina, met in recessed session on Tuesday, June 7, 2011 at 9:00 a.m. in the Commissioners' meeting room in the Person County Office Building.

Chairman Clayton called the meeting to order and thanked everyone that spoke at the public hearing.

Chairman Clayton stated his support to request the Board of Education to apply a portion of their lottery funds toward school debt noting both governing boards would have to agree.

The Board proceeded to discuss in detail the Performance for Pay/ Merit Pay System, MAPS, the county longevity history and structure as well as 401-K contributions.

A **motion** was made by Chairman Clayton, **seconded** by Commissioner Jeffers, to approve the budget as presented by the Manager, restore Person County Schools, Piedmont Community College and the Volunteer Fire Department's fund as well as the restore the positions in the health department and recreation department to be paid with an allocation from the Fund Balance using the excess funds the General Fund.

Commissioners Kennington and Blalock as well as Vice Chairman Puryear stated opposition to the motion with preference to discuss and vote each issue.

A **motion** was made by Chairman Clayton, **seconded** by Commissioner Jeffers, to **withdraw previous motion which carried unanimously**.

The Board discussed the Manager's recommended restoration of 1% included in the budget costing \$126,786 which equates to an annual contribution on the average county employee's salary of \$384. Commissioners Kennington and Vice Chairman Puryear voiced their desire to have the ability to designate the contribution based on an employee match. County Manager, Heidi York reported the county's current software did not allow the ability to set up a contribution based on an employee match. Vice Chairman Puryear stated the county should further study for next fiscal year acquiring the necessary software to set up the 401-K as a total match up to 5%. It was the consensus of the Board to agree in restoring a 1% contribution to the employee's 401-K.

Commissioner Blalock requested review of the current longevity with possibly changing the structure using the savings to increase the 401-K. Chairman Clayton and Commissioner Jeffers noted opposition to change the current structure of longevity with the short timeframe to adopt the budget without studying the impacts of the pros and cons. Ms. York confirmed a review could be done by January, 2012 with any changes in effect for fiscal year 2012-13.

Commissioner Kennington asked the Board how each felt about using fund balance for recurring expenses. Vice Chairman Puryear stated his opposition for such. Chairman Clayton countered his argument that the county fund balance is growing with funds added from the General Fund to offset the expenses he was recommending funding. Commissioner Jeffers noted the Fund Balance is at a comfortable level and felt the funding an acceptable use by restoring funding and supporting employees. Commissioner Kennington noted his support to use fund balance for one-time expenses and not for recurring expenses. Ms. York stated the request as moved by Chairman Clayton in the first motion would appropriate \$285,000 from Fund Balance. Ms. York noted the Fund Balance is healthy and the Board can afford to spend down, however she could not recommend using fund balance for recurring operational expenses.

Commissioner Kennington asked the group if the Fire Marshal position is needed and what the projected savings to moving the position to 60%. Ms. York stated the cost to fund the Fire Marshal position at 60% is \$32,820 including benefits with a budget savings of \$18,406. Ms. York estimated the budget cost at \$14,000 for a part-time Fire Marshal without benefits. Commissioner Jeffers reminded the group that without a Fire Marshal and an advisory committee, there is no liaison to advise the Board. Ms. York told the Board she had communicated to the Fire Chiefs via letter requesting input about evaluating the need of the Fire Marshal. Ms. York noted 3 of 8 volunteer fire departments communicated the absolute need for the county liaison as a Fire Marshal which drove her recommendation to budget at 60%. Ms. York described the reporting components to the State Fire Marshal Office. Sheriff Jones added the position is critical to the county as the state reporting affects insurance rates. Commissioner Kennington stated a volunteer is available to step in to help at no cost.

Commissioner Kennington inquired at restoring costs for the Recreation custodian and the health position. Ms. York confirmed \$28,112 to fully restore the position to full time. Commissioner Kennington stated the idea of full restoration of the two noted positions by eliminating the Fire Marshal.

Chairman Clayton spoke to the need to restore the health position with the anticipated storm water rules. Ms. York stated an argument could be made that an Inspector position, in addition to a Clerical position could be justified noting Environmental Health has not met their revenue budget for 3 years.

Commissioner Kennington asked the County Manager about the Contingency Fund with new line items for insurance \$235,000 and unemployment \$130,000 as well as the proposed merit pay. Ms. York explained the unemployment, property and liability insurance were housed in the Human Resources Department budget disbursed appropriately to departments and is now moved to Contingency that serves such transactions to departments. Ms. York noted also listed in Contingency is a Fuel line item at \$50,000, Technology line item at \$50,000 as well as an undesignated \$50,000.

Ms. York explained to the Board the Register of Deeds Restricted Fund Balance \$30,000 limited to technology which the Manager has recommended to use to pay for a lease on the Register of Deeds technology equipment.

Chairman Clayton announced a brief break at 10:58 a.m. The Board reconvened at 11:09 a.m.

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Ms. York suggested the Board, by motion, move through the budget items discussed.

Commissioner Kennington stated the house next door is non-inhabitable because of mildew and requested consideration to demolish using a Fund Balance appropriation to pay the \$4,850 as quoted. Commissioner Kennington noted his discussion with the Cooperative Extension Director, Derek Day to create a demonstration garden or park area. Ms. York told the group the house currently stores dog food, files and miscellaneous items for IT, EDC and the Sheriff.

A **motion** was made by Commissioner Kennington, **seconded** by Vice Chairman Puryear, and **carried 3-2** to not fund the Merit Pay at this time and defer to an undesignated date. Chairman Clayton and Commissioner Jeffers cast the dissenting votes.

A **motion** was made by Vice Chairman Puryear, **seconded** by Commissioner Kennington, and **carried 3-2** to use the \$260,390 (proposed Merit Pay not to be used in this year's budget) and apply to restore the 2 ½% funding to Person County Schools \$221,539, Piedmont Community College \$24,792 and Volunteer Fire Departments \$11,520 for a total of \$257,851.

Commissioner Blalock clarified Person County Schools would use the restored funding for 5 positions, Piedmont Community College would use move a part-time Safety Officer to full-time with the restoration of funds and the Volunteer Fire Departments would use the additional funding primarily for fuel with other miscellaneous expenses.

Commissioner Jeffers went on the record not opposed to funding increases to Person County Schools, Piedmont Community College or the Volunteer Fire Departments however disagree with taking from the county employees to give it the agencies when the means to fund with Fund Balance and projected increase in tax base for next year is available. To that, Commissioner Jeffers stated opposition with the motion on the floor.

Chairman Clayton stated opposition to the motion as he did not feel taking the Merit Pay Plan from the employees is necessary at this time. Chairman Clayton did not voice opposition to restoring the funding to the agencies but did not like funding the restoration by taking away from the employees.

Commissioner Kennington stated the Board could not take away something from the employees when they did not have it to take away.

Commissioner Blalock stated a review can take place in the next 7 months to see where the economy is and the Board can evaluate to proceed in January with the deferred Merit Pay.

A **substitute motion** was offered by Commissioner Jeffers, **seconded** by Chairman Clayton, to request the Board of Education to take \$260,390 from their \$1.7 million lottery funds to free up \$260,390 under the \$2.9 million school debt the county is paying to be used to fund restoration of the 2.5% funding for Person County Schools, Piedmont College and Volunteer Fire Departments. Chairman Clayton added the Board would be requesting to replace some of the \$600,000 loss in ADM and sales tax funds noting the county can not ask the Board of Education to supplant the General Fund budget. Commissioner Jeffers clarified the request is ask the School Board to support a portion of their own debt and **restated his substitute motion** to request the Board of Education to take \$260,390 from their \$1.7 million lottery funds to free up \$260,390 under the \$2.9 million school debt. Commissioner Jeffers **withdrew his substitute motion**.

Ms. York stated the Board had a balance of \$2,539 left over in the budget at this time.

A **motion** was made by Commissioner Kennington, **seconded** by Vice Chairman Puryear, and **carried 5-0** to increase the 401-K to 3 ½% as proposed by the Manager for county employees.

A **motion** was made by Commissioner Kennington, **seconded** by Vice Chairman Puryear, to eliminate the Fire Marshal position.

Commissioner Jeffers stated the elimination of the Fire Marshal position is premature as he would like review all options relative to the position.

Chairman Clayton stated the importance of monitoring of the state reporting.

Commissioner Blalock suggested the possibility of moving the Fire Inspector, currently a position at 60% to full-time with the necessary training. Ms. York indicated a savings of \$9,642 to moving the two positions to one combined position.

Commissioners Kennington and Puryear agreed to **withdraw the motion**.

A **motion** was made by Commissioner Jeffers, **seconded** by Commissioner Blalock, and to table Board consideration to eliminate the Fire Marshal position. Commissioners Jeffers and Blalock agreed to **withdraw the motion**.

It was agreed by the Board that the Fire Marshal position remain vacant and budgeted at \$32,820 at 60% to be evaluated with options and itemized costs to be presented to the Board by the County Manager at its next meeting.

Commissioner Kennington suggested for Board consideration a one-time non-recurring appropriation from Fund Balance \$141,456 for a \$300 bonus for each county employee. Chairman Clayton stated he added this option as a possibility not knowing how the state budget would affect county budgets. Chairman Clayton noted the bonus would be taxed. Finance Director, Amy Wehrenberg offered an option for Board consideration that the \$300 become a one-time contribution to 401-K which would be pre-tax and eliminate the county paying benefits.

A **motion** was made by Chairman Clayton, **seconded** by Commissioner Blalock, and **carried 5-0** to add a one-time \$300 employee bonus to 401-K to be appropriated using Fund Balance.

Vice Chairman Puryear asked the group the feasible possibility of a 1-cent property tax reduction. Ms. York stated a 1-cent on the tax rate equals \$372,973. Chairman Clayton stated the Board can easily reverse action in an adopted budget after July 1st if the tax rate has not been altered. Chairman Clayton told the group that once a tax rate has been altered, the Board can not change the adopted budget. Vice Chairman Puryear pointed out ample funds going into the Fund Balance noting a property rate reduction would benefit all citizens in the county. Commissioner Jeffers noted he was not supportive of changing the tax rate without knowing the impacts on the budget or county.

A **motion** was made by Vice Chairman Puryear, **seconded** by Commissioner Kennington, and **died for lack of majority 2/3** to instruct the County Manager to bring to the Board the impacts of a 1-cent tax rate reduction. Ms. York reminded the Board that revaluation of the tax rate will be taking place in 2013 which would an appropriate time to examine the tax rate and the impact. Chairman Clayton and Commissioners Jeffers and Blalock voted down the motion.

Commissioner Kennington stated should any change in the economic development structure, consideration to fund Roxboro Development Group could take place at that time, outside of the budget process.

Ms. York made the Board aware of some changes to the budget since the recommended budget was presented:

Department of Social Services personnel change	\$34,372
Mayo position obtaining certification	\$543
EMS personnel change – reduction	(\$4,998)
Interim Telecommunications Director salary adjustment	\$4,550

Ms. York stated there are a few revenue streams that have changed (listed below) coupled with revenues listed in the budget provide a balanced budget:

Moving lease for old landfill	\$760
Freedom House rent	\$3,960
Additional Solid Waste Host Fees and Sales Tax	\$17,000
Left over from proposed merit restoring other funding	\$2,539

Ms. York told the Board the budget is balanced with the additional Fund Balance appropriation for the one-time \$300 401-K contribution to county employees. Ms. York noted a new tally would be provided at the next work session of the actions taken this date.

Commission Kennington noted he did have a contribution of \$2,500 to assist with the demolition of the house in hopes to find the remaining portion.

It was the consensus of the Board to schedule a budget work session on June 9, 2011 at 7:00 p.m.

RECESS:

A **motion** was made by Commissioner Kennington, **seconded** by Commissioner Jeffers, and **carried 5-0** to recess the meeting at 12:06 p.m. until June 9, 2011 at 7:00 p.m.

Brenda B. Reaves
Clerk to the Board

Jimmy B. Clayton
Chairman