

PERSON COUNTY BOARD OF COMMISSIONERS
MEMBERS PRESENT

MAY 23, 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 Monday, May 23, 2011 at 6:00 p.m. in the Commissioners' meeting room in the Person County Office Building for the purpose of holding a budget work session.

Chairman Clayton called the meeting to order.

Commissioner Kennington thanked the County Manager noting the favorable comments he has received from the community for tying the recommended budget to the Strategic Plan.

Commissioner Kennington led discussion related to his preference of restoring the 2.5% cut recommended by the County Manager to Person County Schools, Piedmont Community College and the Volunteer Fire Departments (\$257,851) using the proposed allocation for the merit pay plan program (\$260,390) to fully restore the 3 agencies to the current fiscal year funding levels.

Commissioner Kennington also requested Board consideration for the Manager to contact Person County Business Industrial Center (PCBIC) to discuss funding Roxboro Development Group (RDG)/Main Street Program from their account.

Commissioner Kennington stated his appreciation of county employees noting the budget did not recommend cutting people, did not include any furloughs however he took issue with increasing the 401-K contribution without mandating the employee to contribute.

Commissioner Blalock stated her preference to restore the Person County Schools. Commissioner Blalock noted employee paychecks, during 2011, are increased due to a 2% reduction in social security tax.

Vice Chairman Puryear advocated restoring Person County Schools, Volunteer Fire Departments and RDG. Vice Chairman Puryear stated opposition to using a fund balance allocation for recurring expenses and recommended restoring the funding levels by using employee longevity as well as cutting 401-K to a lower level.

Commissioner Jeffers countered the discussion by requesting the Board to ask Person County Schools to be accountable by outlining how the funds would be used. Commissioner Jeffers stated Person County Schools currently have approximately \$1.3 million in their fund balance yet announcing a reduction in force of 7 teacher assistant positions.

Commissioner Jeffers stated the Volunteer Fire Departments were told of the proposed 2.5% cuts and he had received no feedback. Commissioner Jeffers stated support of the proposed cut noting the cut was in line to the recent budget cuts sustained by EMS and Sheriff departments.

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Commissioner Jeffers advocated for the partial restoration to the 401-K noting employees were cut from 5% to 2 ½ % as well as stated opposition to cutting longevity.

Commissioner Jeffers stated concern of Parks & Recreation Maintenance Tech position being reduced to 60%. \$14,623 would be needed to restore to 100%.

Commissioner Kennington requested a discussion related to restoring community booster clubs as a Board agenda item.

Commissioner Kennington asked the County Manager to speak to staff preference related to 401-K and merit pay. County Manager, Heidi York stated county employees value 401-K and it is used to recruit and retain staff to stay in Person County. Ms. York recounted 2 years ago surveying the entire workforce related to possible reduction in the 401-K and longevity programs whereby 401-K overwhelming prevailed over longevity. Ms. York gave the Board information related to the county contributing on a match basis. Ms. York reminded the Board that state law dictates a 5% contribution requirement to law enforcement personnel with the argument of fairness for the non-law enforcement employees. Ms. York noted \$190,179 would need to be allocated to the budget to bring the contribution to 5% across the board.

Chairman Clayton noted that employees use longevity as cash available to pay bills.

Ms. York stated with the implementation of a merit pay for performance system, the intent was to review changing the way the county funds longevity.

Commissioner Kennington stated his preference of deferring the merit pay program for an opportunity for a comprehensive pay package study.

Ms. York clarified the 4 positions proposed to reduce to 60% was solely based on an analysis of the work load.

Chairman Clayton suggested setting the \$260,390 allocation for a merit pay plan to the side to first find out if any unfunded state mandates will be passed to the county. Chairman Clayton suggested keeping the county contribution at 2 ½ % to 401-K with the 1% proposed (\$126,786) to county employees that will match. Chairman Clayton also opposed restoring the Person County Schools with the amount that is held in the schools' fund balance.

Ms. York told the Board she wanted to confirm internal operations are in place to structure the 401-K whereby the match is only with 1% as suggested by Chairman Clayton.

Commissioner Kennington stated the local school system is allotted positions versus dollars based on enrollment. Commissioner Kennington noted the local funding is where the schools have flexibility to fund positions.

Commissioner Jeffers stated concern for continued review of the proposed positions being reduced such as the Environmental Health Processing Assistant in addition to the Park Maintenance Technician. Chairman Clayton noted the watershed issues may impact the work load. Ms. York stated justification for the reduced positions to 60% and considered impacts such as the watershed. Commissioner Jeffers noted the county was proposed to reduce 4 positions at the same time, requesting restoration of funding to keep other agencies at 100%.

A **motion** was made by Commissioner Kennington, **seconded** by Vice Chairman Puryear, and **carried 4-1** to propose to increase the Person County Schools' funding by \$221,539, increase funding to Piedmont Community College by \$24,792, increase the Volunteer Fire Departments funding by \$11,520 for a total of \$257,851 with those 3 organizations to provide to the County Manager by Tuesday, May 31, 2011 an outline of how the additional funding would be used, with the \$257,851 funded by the Manager's proposed merit pay proposal to implement a new program at a cost of \$260,390 leaving an under-proposed budget of \$2,539. Chairman Clayton cast the lone dissenting vote.

A **motion** was made by Commissioner Kennington, **seconded** by Chairman Clayton, and **carried 5-0** to direct the Manager to look at the feasibility of making the proposed 1% increase in the 401-K to be an employee match, therefore creating a combination of match 1% and across the board 2 ½ in the proposed 401-K.

Commissioner Kennington requested information from the Manager related to a discussion with PCBIC about funding of RDG/Main Street Program in combination with PCBIC, County and the City.

Commissioner Jeffers asked for clarification of Commissioner Kennington's first motion. Commissioner Kennington stated his motion intended to give the agencies additional funding based on the accountability forms for a final Board decision prior to adopting the final budget. Commissioner Jeffers stated for the record he was not voting for the restoration of funding levels until the agencies outlined how the funds would be spent.

Commissioner Blalock commented on Mayo Park is a new entry in the budget. Ms. York explained the budget now has new costs centers in place to separate Mayo Park and the Kirby where they have previously been lumped into the Recreation budget.

Commissioner Kennington stated his preference to review fees so that Person County is not subsidizing out of county residents and the programs are self sustained. Recreation, Arts and Parks Director commented that out of county residents are charged at a high fee than county residents for all programs offered.

Commissioner Kennington inquired about the Kirby partnership with Piedmont Community College. Ms. York stated the proposed partnership is still in process.

Chairman Clayton requested consideration to re-implementing the vehicle rotation program whereby maintenance costs savings are significant. Ms. York stated the General Services Director is looking at bidding a county-wide maintenance contract for vehicles. Ms. York told the group if a fleet rotation were to be re-implemented, it would take up-front capital funds either through the Capital Improvement Plan or an appropriation from fund balance.

Commissioner Kennington requested the General Services Director to bring suggestions to the Board to fund the fleet rotation program.

Commissioner Blalock asked if there was a savings with cell phones. Ms. York explained each budget has a new line item to track cell phone funding noting it previously was included in the telephone line item. Ms. York noted the county transitioned from paying 100% of an employees' cell phone for work usage to a stipend program. The stipend program gives an approved employee \$35 or \$65 for a cell phone for work use. Commissioner Jeffers added that not all county employees receive a stipend. Ms. York further noted the savings to transition to the stipend program is \$24,000. Commissioner Jeffers stated the cell phone stipend program was brought back from one of the national conferences.

Chairman Clayton noted the NACo Medical Prescription Program cards also came from a national meeting.

Commissioner Jeffers advocated implementing programs that reduce costs such as the Morale and Wellness committees that had also been recognized with awards. Ms. York stated the proposed budget allocates \$500 to each Morale, Wellness and Safety. Chairman Clayton noted a recent article in the National Association newsletter highlighting the Morale Pals committee with comments made by Commissioner Jeffers.

Commissioner Kennington promoted the positives in the budget noting no tax increase for the 6th year in a row, no government growth by decreasing the total budget \$7million over 3 years. Commissioner Kennington congratulated the Board, Manager and Finance Director.

The Board confirmed the next budget work session would be held on June 7, 2011 at 9:00 a.m. following the June 6, 2011 Budget Public Hearing.

ADJOURNMENT:

A **motion** was made by Commissioner Kennington, **seconded** by Vice Chairman Puryear, and **carried 5-0** to adjourn the meeting at 7:29 p.m.

Brenda B. Reaves
Clerk to the Board

Jimmy B. Clayton
Chairman

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