

PERSON COUNTY BOARD OF COMMISSIONERS
MEMBERS PRESENT

MARCH 29, 2011
OTHERS PRESENT

Jimmy B. Clayton
 Kyle W. Puryear
 B. Ray Jeffers
 Samuel R. Kennington
 Frances P. Blalock

Heidi York, County Manager
 Gene Hodges, Assistant County Manager
 Brenda B. Reaves, Clerk to the Board
 Ray Foushee, General Services Director
 Amy Wehrenberg, Finance Director

The Board of Commissioners for the County of Person, North Carolina, met in recessed session on Tuesday, March 29, 2011 at 7:00 p.m. in the Commissioners’ meeting room in the Person County Office Building for the purpose of discussing the Recommended Capital Improvement Plan (CIP) 2012-2016.

Chairman Clayton called the meeting to order.

RECOMMENDED CAPITAL IMPROVEMEMNT PLAN (CIP) 2012-2016:

County Manager, Heidi York told the Board the meeting was an opportunity to discuss capital priorities for the coming year and provide guidance on the needs for the next five years.

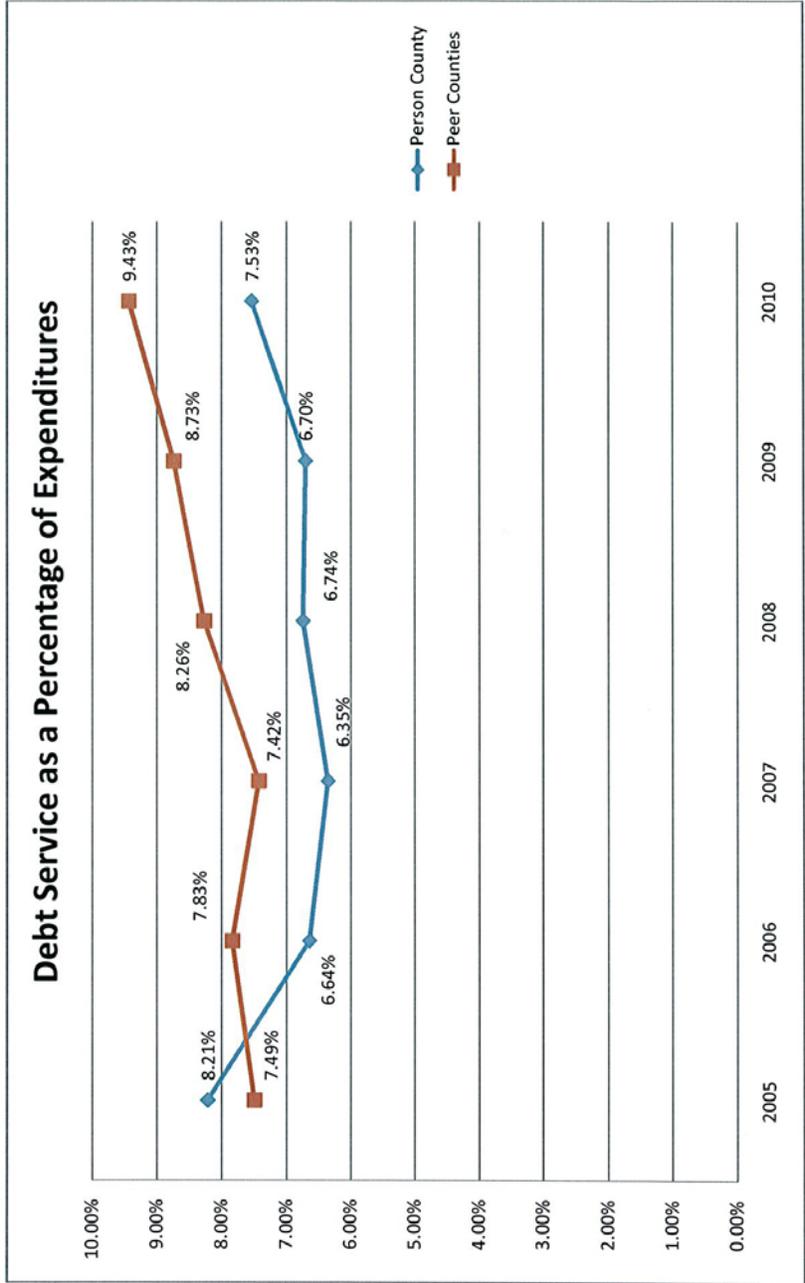
Ms. York answered the following questions from the last CIP discussion on March 21, 2011:

- **“What is Person County’s exact debt service level?”**
 As of June 30, 2010 Debt Service Expenditures were \$3,729,514. The debt service ratio (debt as a percentage of total expenditures) is 7.5%.
- **“What is an appropriate amount of debt to carry?”**
 Person County uses the debt service ratio as a measurement, which divides debt service payments (principal and interest) by total expenditures. Ms. York stated there is no recommendation from the Local Government Commission however noting some professional organizations suggest debt service should not exceed 10% of total expenditures, while bond rating agencies have cited a level not to exceed 20%. Ms. York further noted the Board could adopt a policy specifying a level, if desired.

Ms. York noted it is always appropriate to benchmark against peer counties in the same population group. The State Treasurer’s Website defines Person County’s population group as “Counties with Populations 25,000–49,999.” Ms. York highlighted the following benchmarks:

	Debt Service Exp	Ratio %	Per Capita (cost per citizen)
Person County	\$ 3,729,514	7.5%	\$ 97
Avg: Pop Group	\$ 4,413,154	9.4%	\$117
Avg: Statewide	\$13,499,124	11.5%	\$144
10% ratio: Person County	\$ 4,597,792	10.0%	\$122

Ms. York directed the Board to the graph showing Person County's debt service levels over the last five years compared to population-based peer counties as well as a listing of those peer counties.



Counties with Population 25,000 - 49,999					
2010	2009	2008	2007	2006	2005
Alexander	Alexander	Richmond	Alexander	Alexander	Alexander
Anson	Anson	Stokes	Anson	Anson	Anson
Ashe	Ashe	Beaufort	Ashe	Ashe	Ashe
Beaufort	Beaufort	Watauga	Beaufort	Beaufort	Beaufort
Bladen	Bladen	McDowell	Bladen	Bladen	Bladen
Cherokee	Cherokee	Vance	Cherokee	Cherokee	Cherokee
Dare	Dare	Hoke	Dare	Dare	Dare
Davie	Davie	Pasquotank	Davie	Davie	Davie
Hoke	Hoke	Davie	Hoke	Hoke	Hoke
Jackson	Jackson	Yadkin	Jackson	Jackson	Jackson
Macon	Macon	Person	Macon	Macon	Macon
McDowell	McDowell	Scotland	McDowell	McDowell	McDowell
Montgomery	Montgomery	Jackson	Montgomery	Montgomery	Montgomery
Pasquotank	Pasquotank	Alexander	Pasquotank	Pasquotank	Pasquotank
Person	Person	Dare	Pender	Pender	Pender
Richmond	Richmond	Macon	Person	Person	Person
Scotland	Scotland	Bladen	Richmond	Richmond	Richmond
Stokes	Stokes	Transylvania	Scotland	Scotland	Scotland
Transylvania	Transylvania	Montgomery	Stokes	Stokes	Stokes
Vance	Vance	Cherokee	Transylvania	Transylvania	Transylvania
Watauga	Watauga	Ashe	Vance	Vance	Vance
Yadkin	Yadkin	Anson	Watauga	Watauga	Watauga
			Yadkin	Yadkin	Yadkin

- **What will Person County’s debt service level drop to when the debt on the 1999 and 2000 borrowings is retired?**

Assuming Person County does not take on any new debt and maintain the same expenditure levels as in FY 2010, the debt service ratio would be 2.7% in FY 2016.

March 29, 2011

▪ **“Why does Person County adopt a CIP before an annual budget?”**

Ms. York explained these two important processes are done separately, but are very much intertwined; with the CIP being adopted before the annual budget for several reasons. The recommended funding amount in the CIP is made in context of the annual budget challenges and priorities. For example, the recommended fund balance appropriation for next FY in the CIP is only \$438,547. This is due to upcoming fiscal challenges, and recommends an appropriate amount in the context of the annual budget. Without knowing the intended fund balance appropriation for the CIP, the Manager would be unable to propose a balanced budget to the Board.

Ms. York reminded the Board that the CIP is simply a plan. The Board will annually take action to approve the CIP to formalize and add legitimacy to the CIP process. However, such action does not appropriate funds for projects. Board appropriation of funding occurs by Board enactment of project ordinances or by the inclusion of projects and spending in the annual budget ordinance. An approval of the CIP is simply a statement of the Board’s intent to move in the general direction implied by the CIP.

The group discussed proposed non-funded mandates from the State and its effect on the CIP, roofing projects praising the recent roof study to plan and project the funding needs, window replacements and the possible need for a study to prioritize for critical needs.

Commissioner Kennington commented his desire for the CIP to include common objectives in the Person Futures Strategic Plan noting the top two relate to construction of a workforce training center and an allied health building on Piedmont Community College’s (PCC) campus. Ms. York stated the allied health building was a project not recommended in the CIP due to the changing nature of the project. PCC representative, Robert Simons told the group that PCC may be changing their priorities in a future request as PCC is currently reevaluating the PCC Master Plan and may realign the workforce training center as a higher priority when submitting requests next fiscal year.

Commissioner Jeffers led group discussion related to the proposed Recreation/Senior Center noting he, Commissioner Kennington and former Commissioner Johnny Lunsford met with YMCA representatives to receive information and general discussion about options, and collaborative partnerships. Commissioner Jeffers wanted the Board to discuss and decide if further meetings with the YMCA representative are warranted. It was the consensus of the group for Commissioner Jeffers to pursue future meetings with the YMCA representatives to obtain further information related to options for the proposed Recreation/Senior Center. Commissioner Jeffers noted the YMCA representatives have provided good recommendations based on past experiences and would assist with Person County’s sustainability study focusing on demographics and need of services. The group voiced concerns related sustaining the operating costs of such proposed facility but welcomed further options and information related to public/private partnerships and collaborative efforts between the county, city, schools, hospital, etc.

Ms. York asked the group if a feasibility study for site/space assessment identifying stakeholders and a scope of project for the proposed Recreation/Senior Center should be included in the upcoming fiscal year budget, estimating such at a cost of \$30,000. The group elected to not designate funds for a feasibility study at this time but to collect further information on a more informal basis.

Vice Chairman Puryear stated support of the proposed Recreation/Senior Center project however, noted his first priority is to bring jobs to Person County as well as reminded the Board of the tough budget year including the potential loss of employee jobs as a consideration prior to committing to such a large project.

Commissioner Jeffers stated support of the Board discussing and evaluating county owned property at a future meeting. Commissioner Blalock stated support of maximizing use of county buildings as well as using volunteers to run programs/facilities.

Commissioner Kennington stated a community misconception exists related to the current Senior Center. Commissioner Kennington asked the leadership of the Chairman and the County Manager to correct by making known the Senior Center is operating well under the direction of the Kerr Tar Council of Government as well as the financial support from the Board already committed for next fiscal year.

The group recognized the great job and new look of the Courthouse as the renovations are being completed. Ms. York thanked the General Services Director, Ray Foushee for his efforts overseeing the Courthouse renovation work. Mr. Foushee offered to set up a tour for anyone wishing to see the Courthouse.

Ms. York asked the Board if all questions had been answered related to the CIP and if all were in agreement to approve on April 18, 2011 as scheduled on the Budget Calendar. Commissioner Kennington thanked the County Manager for answering his questions noting there were still many unknowns. The group nodded in agreement that there were no additional questions and ready to have the CIP before the Board for adoption on April 18, 2011.

Ms. York thanked the Finance Director, Amy Wehrenberg for her efforts putting the CIP document together.

RECESS:

A **motion** was made by Vice Chairman Puryear, **seconded** by Commissioner Jeffers, and **carried 5-0** to recess the meeting at 8:20 p.m. until 1:00 p.m. on April 4, 2011 at which time the Board will meet as a Board of Equalization & Review.

Brenda B. Reaves
Clerk to the Board

Jimmy B. Clayton
Chairman

March 29, 2011