

PERSON COUNTY BOARD OF COMMISSIONERS

JUNE 3, 2015

MEMBERS PRESENT

OTHERS PRESENT

Kyle W. Puryear
David Newell, Sr.
B. Ray Jeffers
Jimmy B. Clayton
Tracey L. Kendrick

Heidi York, County Manager

Brenda B. Reaves, Clerk to the Board

The Board of Commissioners for the County of Person, North Carolina, met in recessed session on Wednesday, June 3, 2015 at 9:00am in the Commissioners’ meeting room in the Person County Office Building for the purpose of a budget work session.

Chairman Puryear called the recessed meeting to order.

DISCUSSION/ADJUSTMENT/APPROVAL OF AGENDA:

A **motion** was made by Commissioner Kendrick and **carried 5-0** to approve the agenda.

BUDGET WORK SESSION ITEMS FOR DISCUSSION:

1. Minor Budget Adjustments since proposed

County Manager, Heidi York told the Board that since the Recommended Budget was presented on May 18, 2015, there have been some minor changes in revenues and expenditures. Ms. York asked the Budget Manager, Laura Jensen to provide an overview of the items listed in the handout titled Expenditure Changes from County Manager Recommended to BOCC Adopted (see below). Ms. Jensen told the group the biggest change was a reconsideration of E911 funding from the state, an increase of \$122,081. Ms. Jensen noted a net reduction in expenditures of \$3,396.

Commissioner Jeffers informed the Board he was leaving the meeting at 9:03am to retrieve a folder from his vehicle. He rejoined the meeting at 9:07am.

Ms. York explained the \$7,500 costs to Person Industries (PI) Material Recycling Facility (MRF) budget was removed due to the Board’s inclusion of an efficiency study for the Recycling Center in the Landfill Request for Proposals which is budgeted in the Governing Body at \$100,000.

Expenditure Changes from County Manager Recommended to BOCC Adopted		
Dept	Task	Net Inc/Dec
PI-MRF	Remove study cost	-\$7,500
PI-MRF	Cell phone changes w/FICA - Amanda, Nathaniel	\$905
PI	Cell phone changes w/FICA - Jamie Barnette, Becky, Jody	\$2,132
Sheriff	Reduce excess cell phone w/FICA	-\$51
DSS	Cell phone change w/FICA - vacant HS evaluator	\$453
Emer. Mgmt	Add Tier II Fee Grant	\$1,104
Elections	Reduce M&R Equip	-\$3,000
HR	Add airport insurance	\$2,574
Planning	Mike Ciriello certification increase	\$1,091
E911 Fund	Increase in expected funding	\$122,081
	Change +/-	\$119,789
Revenue Changes from County Manager Recommended to BOCC Adopted		
Emer. Mgmt	Add Tier II Fee Grant	\$1,104
E911 Fund	Increase in expected funding	\$122,081
	Change +/-	\$123,185

June 3, 2015

Vice Chairman Newell asked staff to explain the PI expenditure line budgeted for commissions. Finance Director, Amy Wehrenberg noted a salaried employee (base salary of \$45,210) also has the opportunity to earn commission (up to \$9,308 in the recommended budget) for PI job recruitment. PI Director, Becky Clayton stated there is one position for a Production Manager who, in addition to his duties of oversight and quality, seeks work contracts with local companies and earns commission based on a percentage of the contract. Human Resources Director, Angie Warren stated the job description listed the commission rate at 1% for existing contracts and 2% for new contracts. Ms. Clayton stated the community contracts are desired to be partnerships for long term recurring work. Ms. Clayton confirmed the contracts are revenue positive with the exception for recycling.

2. Personnel Positions

County Manager, Heidi York presented the Board with the following handout titled Positions Reductions illustrating the total savings in the Recommended Budget. Ms. York outlined the two positions the Board has discussed of possibly reinstating in the budget explaining the associated costs of vehicles, training, and cell phones.

Commissioner Kendrick commended the County Manager for holding the line on positions as directed by the Board for savings and not increasing taxes. Commissioner Kendrick recommended having a plan in place related to the Inspector and Environmental Health Specialist positions for services to be completed in a timely manner (i.e. 48-hour turnaround) . Commissioner Kendrick further recommended the County continue with the budget freezes and reductions as proposed.

Commissioner Jeffers stated issue only with the two positions (Inspector and Environmental Health Specialist) due to they were frozen because there was a vacancy and not offered by the Departmental Director and which will have an impact on business without the appropriate data to support.

Commissioner Clayton noted the education requirement, training and certification for the two positions can take up to six months with a new hire; there are more ramifications than just the salary and budget savings and Commissioner Clayton advocated to reinstate the two position in the budget.

Vice Chairman Newell stated expectations for the Departmental Directors to prioritize, reorganize scheduling and do more with less people. Vice Chairman Newell stated his willingness to allocate funds to Contingency in case the data proves another position was needed.

Position Reductions

Department	Position	Salary/Benefits
General Services	Bldg. Maintenance Tech	\$(43,261)
Inspections	Inspector	\$(50,453)
PATS	Transportation Specialist	\$(37,018)
Public Health	Nurse II	\$(69,487)
Env. Health	Env. Health Specialist	\$(57,922)
PI	Admin Support	\$(39,362)
PI	Production Asst.	\$(38,876)
Coop. Ext.	Admin Asst.	\$(20,250)
TOTAL		\$(356,629)

Total savings of Inspections and EH positions

Position	Salary/Benefits	Associated Costs	TOTAL Savings
Inspector	\$(50,453)	\$(33,685)*	\$(84,138)
Env. Health Specialist	\$(57,922)	\$(30,881)**	\$(88,803)
TOTAL	\$(108,375)	\$(64,566)	\$(172,941)

*Includes SUV (\$30,391), vehicle upfit (\$1,409), training/cell phone (\$1,885)

**Includes truck (\$29,361), training/cell phone (\$1,520)

June 3, 2015

Commissioner Kendrick read the following statistics “in nine years, Person County Government has added 154 employees. The third largest company added 140 employees.” Person County Government moved from the fifth in total employment to second largest employer in that nine year period. Where Person County has not grown is in commercial or industrial. Commissioner Kendrick noted that when your county government grows faster than your economy, there is a problem.

A **motion** was made by Commissioner Jeffers and **failed 2-3** to add the two positions for an Inspector and an Environmental Health Specialist back to the budget. Commissioners Jeffers and Clayton voted in favor of the motion. Chairman Puryear, Vice Chairman Newell and Commissioner Kendrick voted in opposition to the motion.

Vice Chairman Newell asked for the process should the positions, upon review, were needed to be added back to the budget. Ms. York stated she could bring back data in three months or six months related to the impact of the position reductions and should the Board desire to fund mid-year, a Fund Balance appropriation would be required.

Commissioner Kendrick requested that both departmental directors report back to the Board with a proactive contingency plan within two months of this date. Ms. York stated staff would bring back data in two months for review.

3. Education Funding

County Manager, Heidi York led the discussion related to the capital appropriation for the schools noting charter schools are not entitled to receive any capital. Ms. York referenced a memo from the County Attorney citing the Sugar Creek case which confirms that the County cannot make an appropriation to capital for charter schools. Ms. York stated there is a formula for funding current expense where the charter schools receive a per pupil allotment for their share of the expense. Ms. York estimated 18%-19% of the amount of current expense recommended will be for charter schools.

Ms. York noted some counties, i.e. Union, Forsyth, Orange, fund laptops through current expense however, the laptops are being leased which is considered a recurring expense. Ms. York stated the local school system was not leasing the laptops, but will purchase to acquire a physical asset which is a capital expenditure. A special appropriation to the charter schools is also not legal noting counties are mandated to use the funding formula derived from the state to fund the traditional schools with charter schools receiving the per pupil expenditure. Ms. York provided the Board with the following handout titled Charter School Disbursement Projection 2015-16 (Based on County Manager’s Recommended Budget) to illustrate the many charter schools and appropriation that follows the student per the formula noting an overall increase by \$118,153 or a 6.94%.

**Charter School Disbursement
Projection 2015-16
Based on County Manager's Recommended Budget**

Current Expense Budget - including

Fines & Forfeitures	9,537,800.00	(excludes tech capital &
per student/per year	1,668.03	includes Driver's Ed)
per student/per month	139.00	

		FY 15-16 Projected Totals	Increased Amount over FY14-15 Adopted Budget
Day 20 Head Count			
Person County Schools	4628	7,719,646.45	n/a
Roxboro Community	652	1,087,556.07	70,675.33
Bethel Hill	390	650,532.00	42,275.12
Voyager	33	55,045.02	3,577.13
Central Park	2	3,336.06	216.80
Orange	1	1,668.03	108.40
Falls Lake	4	6,672.12	433.59
PACE	3	5,004.09	325.19
Global Scholars Academy	1	1,668.03	108.40
Kestrel Heights	2	3,336.06	216.80
Maureen Joy	1	1,668.03	108.40
Institute Development for Young Leaders	1	1,668.03	108.40
	5718	9,537,800.00	118,153.55
Charter School totals:		1,818,153.55	118,153.55

Note: The Schools calculated the FY14-15 Adopted Budget for Charter Schools to be \$1,700,000. The County Manager's Recommended Budget would result in an increase of \$118,154 to the Charter Schools over the FY14-15 Adopted Budget.

Ms. York reminded the Board of the general statute that related to supplanting funds to school systems, i.e., should the \$800,000 be included in the current expense fund, that \$800,000 becomes a recurring expense and that amount could not be cut from current expense unless the same amount is cut by proportion by every other county funded agency.

Commissioner Clayton stated the state law is explicit and read an excerpt of the School Budget and Fiscal Control Act 115C-426(f)(3) “The acquisition or replacement of furniture and furnishings, instructional apparatus, data-processing equipment, business machines, and similar items of furnishings and equipment.”

Commissioner Kendrick asked the County Manager if the professional development in the school budget is a county mandate. Ms. York confirmed there is no mandate to fund current expense and professional development is a current expense (an operating expense); the mandate is to provide for the capital funding of the schools.

Finance Director, Amy Wehrenberg stated the recommended school funding minus the technology (\$834,889) recommended for the overall increase for operating portion of education is .55%. The total overall increase in education funding is 9.26% includes current expense, capital and technology. Commissioner Kendrick stated he felt that was more in line with the inflation rate.

Commissioner Kendrick voiced support to fund Person County Schools with technology in capital funding as recommended by the County Manager.

Commissioner Kendrick stated until the state legislature decides the outcome for driver’s education, he would like to propose holding the \$98,000 from the budget.

Superintendent of Person County Schools, Dan Holloman stated the funding is the local responsibility should the state not include in its budget. Person County Schools currently assesses the maximum allowable fee of \$65.00 per student.

A **motion** was made by Vice Chairman Newell and **carried 3-2** to fund the Schools as proposed by the County Manager with the stipulation that the driver’s education funding in the amount of 98,000 be removed from the school’s budget and placed into the County’s Contingency Fund until legislation is finalized. Vice Chairman Newell, Chairman Puryear and Commissioner Jeffers voted in favor of the motion. Commissioners Kendrick and Clayton voted against the motion.

4. Volunteer Fire Department Capital Funding

County Manager, Heidi York reminded the Board that a Capital Funding Program budget has been created for capital purchases only for the volunteer fire departments (VFDs) and rescue. Ms. York asked the Board what amount from the Revolving Loan Fund budget which has a current balance of \$181,256 should be transferred to the Capital Funding Program for FY 2015-2016. Ms. York noted the VFDs and rescue would not receive flat appropriations but may apply up to a certain amount that will be based on the total amount available in the Capital Funding Program as determined by the Board. Ms. York told the Board that staff recommended the Board not fund the full amount of \$181,256 into the Capital Funding Program to ensure carry forward funds to start the following fiscal year.

A **motion** was made by Commissioner Kendrick and **carried 5-0** to transfer one-half of the total amount in the Revolving Loan Fund or \$90,628 to the Capital Funding Program.

Commissioner Jeffers asked Ms. York to outline the amounts by which the VFDs and rescue would be eligible to request capital purchases. Vice Chairman Newell asked Commissioner Jeffers to find out from the Chiefs the sustainable funding needs. Finance Director, Amy Wehrenberg noted a better understanding of the VFDs and rescue financial situation upon the completion of the FY14 audits.

Vice Chairman Newell noted if staff could include FY15 to date actual in the budget document, it would be helpful.

5. Rox Sportsplex

County Manager, Heidi York reminded the Board that though adoption of its CIP, an appropriation has been made for the purchase and up-fitting of the Rox Sportsplex site budgeted at \$559,500. The operating costs are budgeted in Recreation, Governing Body and General Services for a total of \$93,673. Assistant County Manager, Sybil Tate stated projected revenues are estimated at \$66,000. Ms. Tate confirmed that through the Little League rules, a charge can be accessed for parking.

Commissioner Kendrick advocated for upgrading existing facilities without increasing personnel in lieu of purchasing another property to add salaries and become a recurring expense for citizens.

A **motion** was made by Commissioner Kendrick and **failed 2-3** to not purchase the Rox Sportplex and not create the budget line items for FY2015-2016. Commissioner Kendrick and Chairman Puryear voted in favor of the motion. Vice Chairman Newell and Commissioners Clayton and Jeffers voted in opposition to the motion.

6. Summary of Adjustments to the Recommended Budget

County Manager, Heidi York stated the summary of adjustments to the Recommended Budget reflects \$3,396 to the positive at this point in the budget process.

Commissioner Kendrick advocated for the Board to consider not funding any non-profits noting by doing so, the Board is placing preference on certain non-profits above others in the community. Commissioner Kendrick stated his support to incrementally cut the funding from the Person County Senior Center. Commissioner Kendrick stated he has had discussions with another non-profit that may be interested. Commissioner Kendrick noted he serves on the Senior Center Advisory Board and feels appropriating funds to non-profits is not a function of county government.

Commissioner Clayton recounted that the Person County Senior Center remained open only due to the government operated regional non-profit agreeing to do so and without the local funding, the program may cease to operate.

Commissioner Jeffers stated opposition to cut the senior programs when the Board has committed to build a facility to house the Senior Center and its programming.

Chairman Puryear suggested for Commissioner Kendrick to further discuss his ideas with the advisory members and the possibly interested non-profit to create a plan.

A **motion** was made by Commissioner Kendrick and **failed 1-4** to cut the Senior Center budget by \$25,000. Commissioner Kendrick was the lone vote in favor of the motion.

A **motion** was made by Commissioner Jeffers and **failed 2-3** to add \$7,200 to the Senior Center appropriation to restore to \$100,000 and to fund from the Contingency Fund. Commissioners Jeffers and Clayton voted in favor of the motion. Chairman Puryear, Vice Chairman Newell and Commissioner Kendrick voted against the motion.

Commissioner Clayton stated that the Region K Community Assistance (non-profit running the Person County Senior Center) would like to meet jointly with the Board of Commissioners in July or August, following the completion of the budget process.

Commissioner Kendrick stated opposition to Piedmont Community College (PCC) capital appropriation for a tractor and snow blower but suggested setting aside a certain amount, i.e., \$10,000 in a fund for PCC to have a contingency plan in place for snow removal in lieu of purchasing a piece of equipment that may or may not be utilized. Finance Director, Amy Wehrenberg stated the request was for a state-contract priced John Deere tractor for \$60,000 and a snow blower for \$1,180.

A **motion** was made by Commissioner Kendrick and **carried 3-2** to reduce the PCC budget by \$61,180 as recommended for a tractor and snow blower. Commissioner Kendrick, Chairman Puryear and Vice Chairman Newell voted in favor of the motion. Commissioners Clayton and Jeffers voted against the motion.

A **motion** was made by Commissioner Kendrick and **carried 4-1** to appropriate \$10,000 in Contingency Plan for PCC's snow removal on an as needed basis pending a pre-approved agreement with a service contractor. Commissioner Jeffers cast the lone dissenting vote.

Chairman Puryear stated the City of Roxboro was appropriating \$2,000 to the Fireworks event.

A **motion** was made by Chairman Puryear and **failed 2-3** to match the City of Roxboro's appropriation for the Fourth of July Fireworks and be funded with the surplus budget. Chairman Puryear and Commissioner Jeffers voted in favor of the motion. Vice Chairman Newell and Commissioners Kendrick and Clayton voted against the motion.

Chairman Puryear stated the Board had received a request for \$3,000 for Personality.

A **motion** was made by Chairman Puryear and **failed 1-4** to grant the request to fund \$3,000 for Personality from the surplus. Chairman Puryear cast the lone vote in favor of the motion.

Commissioner Kendrick stated the Board had received a request for \$10,000 to help sustain the Drug Treatment Court program. Commissioner Kendrick noted the program is not mandated but the program saves money and allows people to be productive members of society versus putting law enforcement or court systems into place.

A **motion** was made by Commissioner Kendrick to appropriate \$10,000 to Drug Treatment Court. Ms. York stated there is currently \$5,000 unencumbered funds remaining in the current fiscal year's budget of \$10,000, offering to carry over to next fiscal year.

An **amended motion** was made by Commissioner Kendrick and **carried 4-1** to appropriate \$5,000 to Drug Treatment Court to be combined with the \$5,000 carry-over funds from the current year for a total of \$10,000. Commissioner Jeffers cast the lone dissenting vote.

Commissioner Kendrick noted the Board's recent action to approve a self-funded insurance plan for the next fiscal year; part of the plan is to keep employees in good health to save costs with the claims. Commissioner Kendrick stated the employees currently have access to an employee fitness gym for a small fee. Commissioner Kendrick advocated for the employees to have the ability to use the showers in the gym area.

A **motion** was made by Commissioner Kendrick and **carried 5-0** to appropriate Recreation, Arts & Parks' budget with \$10,000 to retrofit the employee's gym existing showers.

Recreation, Arts & Parks Director, John Hill stated the \$10,000 was an estimate only.

Commissioner Kendrick stated opposition to Person Industries (PI) starting new programs, i.e., household hazard waste disposal day, that are costly without finding programs to sell recyclable goods to get closer to revenue neutral.

Commissioner Kendrick pointed out the PI temporary service labor budget line increased by 124% or \$391,000 and suggested trying to decrease the labor intensive costs maybe with the processing machine that Vice Chairman Newell referred to in a recent meeting. Ms. York explained the \$391,000 increase was due to the Eaton contract which increased with more work which caused more labor costs. Ms. York stated the contract with Eaton is in effect through December 2015 noting the Affordable Care Act was the biggest driving factor for the increased costs.

Vice Chairman Newell asked if there were P&L statements available for the PI contracts. Ms. Tate noted the budgetary view was conservative with revenues and over-estimating expenditures as compared to the actual numbers. Ms. Tate provided the Board with the following slides for informational purposes:

PI Sales Revs. and Temp Employee Expenditure lines

FY15	Revenues	Expenditures
Budgeted	\$720,000	\$315,000
Actual*	\$1,077,961	\$559,215

* May and June are estimates

FY16	Revenues	Expenditures
Budgeted	\$950,000	\$705,000
Actual	\$????	\$????

FY15 Actual numbers for PI Sales (Eaton contract)

Actual Revenues		Actual Expenditures	
July	\$72,501.60		
Aug	\$65,136.01		
Sep	\$78,620.04		
Oct	\$83,420.65		
Nov	\$77,736.78		
Dec	\$69,733.66		
Jan	\$84,054.76		
Feb	\$92,396.61		
Mar	\$137,593.60		
Apr	\$136,766.96	Wages (Prod & WAT)	\$159,579.86
May est.	\$100,000.00	Wages (Program & PI Emp)	\$383,787.00
June est.	\$80,000.00	Wages (Temp. Emp.)	\$559,215.00
VR-WAT	\$86,369.16	Overhead	\$26,986.34
TOTAL	\$1,164,329.83	TOTAL	\$1,129,568.20

NET = \$34,761.63

A **motion** was made by Commissioner Kendrick to reduce PI's budget by \$12,000 for the household hazardous waste program.

Commissioner Clayton stated the design of the household hazardous waste program was to provide an avenue for those types of items to be disposed of properly and not be put in to the landfill or disposed improperly into the environment.

Commissioner Kendrick stated support to change the line item to utilize the \$12,000 to find avenues to get closer to making revenue.

An **amended motion** was made by Commissioner Kendrick and **failed 2-3** for the \$12,000 be utilized as an avenue to find revenue sources for the existing materials that are not revenue positive. Commissioner Kendrick and Chairman Puryear voted in support of the motion. Vice Chairman Newell and Commissioners Clayton and Jeffers voted in opposition to the motion.

A **motion** was made by Vice Chairman Newell and **carried 5-0** to place the remaining budget surplus in the amount of \$39,576 into the Contingency Fund.

A **motion** was made by Chairman Puryear and **carried 3-2** for the County Manager to prepare Fiscal Year 2015-2016 Budget Ordinance for the Board's adoption on June 15, 2015. Chairman Puryear, Vice Chairman Newell and Commissioner Kendrick voted in support of the motion. Commissioners Clayton and Jeffers cast the dissenting votes.

Running Total	\$0.00		
Revenues	Amount	Expenditures	Amount
Minor budget adjustments	\$123,185.00	Minor budget adjustments	\$119,789.00
		PCC - remove tractor/blower	-\$61,180.00
		PCC - contingency for snow remov	\$10,000.00
		Drug Court	\$5,000.00
		Employee gym	\$10,000.00
		Contingency	\$39,576.00
TOTAL	\$123,185.00	TOTAL	\$123,185.00

ADJOURNMENT:

A **motion** was made by Vice Chairman Newell and **carried 4-1** to adjourn the meeting at 11:34 am. Commissioner Jeffers cast the lone dissenting vote.

Brenda B. Reaves
Clerk to the Board

Kyle W. Puryear
Chairman