

PERSON COUNTY BOARD OF COMMISSIONERS
MEMBERS PRESENT

MAY 24, 2010
OTHERS PRESENT

Johnny Myrl Lunsford
Jimmy B. Clayton
Kyle W. Puryear
B. Ray Jeffers
Samuel R. Kennington

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 Monday, May 24, 2010 at 9:00 a.m. in the Commissioners' meeting room in the Person County Office Building.

Chairman Lunsford called the budget work session to order. Chairman Lunsford stated this is the 16th budget he has had a part in preparing for adoption for Person County. Chairman Lunsford noted the Board is elected to serve the people of the county and make decisions for the best interest of the citizens. Chairman Lunsford stated his concern of the county's finances, credit rating and the future of Person County.

County Manager, Heidi York stated the Board had indicated interests in discussing Recreation, Arts and Parks and Economic Development. Ms. York told the Board she wanted to give the Board an update on Council on Aging along with Ms. Diane Cox from the Kerr-Tar Council of Governments.

Commissioner Kennington acknowledged Mr. Jamie Guin, Jr., CEO of Person Memorial Hospital and Mr. Robbie Jones, Chairman of the Person Memorial Hospital Board of Trustees were present. Chairman Lunsford asked the hospital representatives if either would like to address the Board.

PERSON MEMORIAL HOSPITAL:

Mr. Robbie Jones, Chairman of the Person Memorial Hospital Board of Trustees requested Board support and partnership to reconsider county funding for the local hospital. Mr. Jones stated the hospital provides indigent care to the county in the amount of \$700,000. The total bad debt for indigent care is \$4 million (total costs out of pocket for the hospital). Mr. Jones stated new industry coming into Person County would require a good healthcare system, along with the college and school system.

RECREATION, ARTS, PARKS DEPARTMENT:

Ms. York presented the Board with updated copies of spreadsheets outlining the cost analysis for programs related to Athletics, Kirby, Recreational and Mayo Park. Ms. York noted this is the data she used to prepare the recommended budget to the Board. Ms. York also presented a copy of the Referendum passed in the early 70's related to recreation. The language of the Referendum and the minutes of the meetings and result of the Referendum summarize the early 70's voters agreed to allow the Board of County Commissioners the authority to fund the recreational programs up to 5 cents on the tax rate. The Referendum would enable the Board to fund up to \$1.8 million. Current funding of Recreation, Arts and Parks is at \$1,089,000 and recommended for next fiscal year is \$1,049,000. Commissioner Clayton pointed out the Referendum states optional, up to 5 cents.

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Commissioner Kennington inquired about a like Referendum for the Hospital. Commissioner Puryear stated it was a county-wide Referendum supporting up to 5 cents of the tax rate for the hospital. Ms. York noted staff was researching records to find the referendum. Ms. York stated once it was found, she would forward information to the Board.

County Manager, Heidi York highlighted the Manager's Recommended Budget cuts to the Athletic and Recreation programs:

- Reduced youth basketball 10 games to 8
- Reduced adult basketball 10 games to 8
- Cut out youth football in its entirety
- Cut out Pilates in its entirety

Board members discussed many facets of recreation including but not limited to: cutting the tennis program, the draft system, booster clubs, surveying the community, and sharing costs of recreation with the City of Roxboro.

Commissioner Kennington recommended raising fees to sustain and keep all the programs in place without cuts. The group discussed raising the fees to keep the programs, surveying the community, possibly cutting some adult programs as well as discussing with the City of Roxboro at the next joint session the possibility of sharing costs of recreation.

Ms. York stated she would report back a fee restructure to keep the recreational programs along with participation data.

The Board discussed the Kirby program data for fiscal year 2008-2009. Ms. York noted the Manager's Recommended Budget cuts affect Summer Youth Theatre (\$3,583) and staff reduction by eliminating the part time receptionist position (\$9,598). Ms. York stated the Tourism Development Authority is in process of moving to operate in the Kirby Gallery space, which will serve as the receptionist as well as extend hours and incur revenue for the usage of the space.

COUNCIL ON AGING:

Ms. York introduced Ms. Diane Cox, Regional Aging Director of Kerr-Tar Council of Governments (COG) to update the Board on the monitoring of the Council of Aging (COA) Senior Center. Ms. York stated some serious financial concerns with the way the grant revenues that are passed-through Person County and the Kerr-Tar Council of Governments are being used at the Senior Center noting accounts payable not able to pay their operating expenses. Through a request via letter, Ms. York and Mr. Timmy Baynes, Executive Director of the Kerr-Tar Council of Governments requested financial records to audit the financial situation at the Senior Center. Ms. York stated Ms. Cox, Mr. Baynes, and she met with the Council on Aging Board of Directors and Executive Director on Friday, May 21, 2010 to discuss findings of the recent monitoring visit.

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Ms. Cox explained one of her responsibilities is to monitor aging programs in five counties to ensure compliance of policies and standards of the programs they are operating in addition to reviewing fiscal monitoring. Ms. Cox stated findings of a recent monitoring indicated the Council on Aging Senior Center staff were not meeting some the standards creating major programmatic issues, staff capacity issues, and fiscal issues related to being five months behind on paying the caterer (estimated at \$20,000), in arrears \$20,000 to Person Area Transportation System (PATS), outstanding \$4,000 with the COG and \$11,000 owed for their audit. Additionally, the audit of 2008 showed the Council on Aging is behind on payroll taxes. Ms. Cox stated cash flow problems have been ongoing for years. Ms. Cox further noted that the Council on Aging management did not have a complete understanding on how the program(s) should and need to run and the importance of following federal and state guidelines. Programs currently available for adults age 60 and above are:

- In-home aid program services provided by the Department of Social Services and the Senior Center funded by the Home & Community Block Grant,
- Congregate Nutrition (Lunch at the Senior Center and Meals on Wheels at no costs, donations are accepted)
- Adult Day Care Program at Generations and Senior Center
- Transportation (free under Block Grant, donations accepted)

Ms. York stated Person County is working with the COG to ensure the continuation of the In-Home Aid, Transportation and Congregate Nutrition services and are committed to finding solutions.

The Board took a break at 10:32 a.m. and reconvened at 10:41 a.m.

ECONOMIC DEVELOPMENT:

Commissioner Puryear requested consideration to continue the partnership with the hospital as a part of economic development to appropriate \$100,000 to Person Memorial Hospital funded with the county fund balance.

Commissioner Kennington stated Person County has impacted economic development by:

- dedicating \$12 million to public education
- elevating the Economic Development Director position to Assistant Manager
- working with Roxboro Development Group
- met with Durham County officials

Commissioner Kennington stated support of promoting the Airport, Person Memorial Hospital and the Museum of History as a major economic development tools. Commissioner Kennington suggested placing each of these tools under the economic budget to show the county's support and commitment. Commissioner Kennington recommended earmarking an amount (\$500,000) in fund balance for future industrial development and or land acquisition around the Airport so the public and Durham County can see the Board's interest in economic development.

Commissioner Kennington stated support of Commissioner Puryear's request to fund the hospital \$100,000 from fund balance as well as his own request to fund the Museum of History in the amount of approximately \$20,000 from fund balance.

Commissioner Puryear stated the need for a capital fund to invest in jobs for Person County.

Commissioner Clayton inquired as to who owns the hospital. Chief Executive Officer, Jamie W. Guin, Jr. stated the hospital is owned by the community as a non-profit and has a Board of Directors. Mr. Guin stated the hospital has lost \$1 million in cash and projects to be \$3 million of \$40 million operating revenue down in net operations by the end of fiscal year September 30, 2010. Mr. Guin explained the relationship with Duke as one with independent contracts for management, physical therapy, anesthesia, infection control oversight, etc., with no financial support. Mr. Guin noted the hospital has been impacted by the economy, unemployment rate, loss of insurance, healthcare policies, and changes in medicine and physician practice laws.

Chairman Lunsford stated support of the hospital and noted the important role it plays in economic development.

Mr. Guin noted the following short term steps have been taken at the hospital for the remainder for the fiscal year:

- Reduced benefits for employees (freeze on vac/pto accruals)
- Freeze on contributions to retirement plans
- Only critical positions being replaced
- Reduction in staff hours equating to 10% pay cut

Longer term plans include:

- Immediate plans to establish another physician office and efforts to bring more physicians to the community
- Providers for the Hopitalist Program
- Expansion of the Emergency Department and Operating Rooms

Mr. Guin stated the hospital needs economic development to gain financial strength, for people to be working and insured, able to access healthcare at the hospital

Commissioner Kennington commended the County Manager, EMS Director, Michael Day and Mr. Guin for working together to facilitate transportation. Mr. Guin was happy to have the good option of Wilson Ambulance Services available to transport patients reducing EMS workload.

Mr. Jones asked the Board to relay the message to citizens to call Mr. Guin or himself for any complaints so they can fix the problems as they believe in quality of care.

Commissioner Jeffers stated he was opposed to funding the Museum at full request because of mismanagement but was very supportive of funding roots and wings using the proposed funding for the Roxboro Chamber Personality Festival. Chairman Lunsford spoke of the importance of the parenting programs.

Commissioner Puryear stated support of the roots and wings program but opposed from taking the funding from the Roxboro Chamber as the Chamber. Ms. York reminded the Board the Roxboro Chamber is funded by Person County by dues as a member as well as providing building space just as the county does for the Museum.

Commissioner Kennington requested the County Manager to contact Representative Wilkins to research the time frame and possibility of introduction of a new local bill for occupancy tax for additional revenue to fund a non-profit, i.e. Museum.

Commissioner Clayton asked the hospital representatives about the hospital fund balance. Mr. Guin stated current cash and short term investments are between \$5-6 million with an accounts receivable of the same amount.

The County Manager noted to the Board that she had been contacted by non-profits desiring funding that did not submit an application should the Board fund the Museum.

The Board decided not to take action until after the Public Hearing on June 7, 2010 related to the non-profits.

Finance Director, Amy Wehrenberg stated the net affect on the fund balance would be the amount appropriated from fund balance to economic development. Ms. Wehrenberg mentioned some counties set up a revolving loan fund for funds set aside for economic development, capital, incentive payments and other uses noting it is typically a special revenue fund rather than a capital fund. Ms. Wehrenberg suggested designating funds to the Airport Construction Fund for Airport specific projects.

Commissioner Kennington suggested working toward a pay-as-you-go concept and requested earmarking an amount from the county fund balance for the construction of a community center. Ms. York stated the vehicle for that project is the Capital Improvement Plan and suggested the Board may like to review to move funding to the appropriate year(s).

Commissioner Jeffers stated he has been working with Congressman Brad Miller's Office in an effort for funding for the community center project as well as in contact with the Triangle Region of the YMCA to get ideas to report back.

Commissioner Jeffers inquired about putting a Referendum on the November ballot. A quarter-center sales tax would generate approximately \$474,000 according to Ms. Wehrenberg.

Commissioner Puryear pointed out the \$254,000 loss in the Material Recovery Facility budget, noting an increase to that budget of \$182,000. Ms. York stated this was the first year of operation to establish a baseline plus the debt payment for the equipment and increased rent of building equates that actual costs were more than anticipated.

Commissioner Kennington inquired about the PATS operating budget. Ms. York stated consultants from the State would be visiting Person County to assess the program and make recommendations. Ms. York noted she will not have those recommendations in time for the adopted budget. Ms. York stated she is holding the line on the PATS budget with intentions for some savings next year.

Ms. Wehrenberg confirmed for the Board that the Family Connections grant is a 50/50 match from the county.

Ms. York told the Board the City of Roxboro was not willing to partner in the joint position proposed for the Compliance Officer at this time.

Commissioner Kennington stated his opposition to spending funds for the engineering costs of the Community Center/Senior Center until the Board decides if and when the project is approved. Commissioner Kennington stated his concerns to fund the operating costs for such facility. Ms. York suggested after the budget adoption placing this item on the Board agenda noting staff is researching operating costs.

NEXT WORK SESSION:

The group discussed and agreed on Tuesday, June 1, 2010 at 6:30 p.m. Agenda items for the June 1, 2010 work session will include for not limited to \$500,000 for Economic Development, \$100,000 for Person Memorial Hospital, information from Representative Wilkins regarding occupancy tax, and non-profit(s) funding.

RECESS:

A **motion** was made by Commissioner Puryear, **seconded** by Commissioner Jeffers, and **carried** to recess the meeting at 11:50 a.m. until June 1, 2010 at 6:30 p.m.

Brenda B. Reaves
Clerk to the Board

Johnny Myrl Lunsford
Chairman