

**PERSON COUNTY BOARD OF COMMISSIONERS**  
**MEMBERS PRESENT**

**JUNE 2, 2009**  
**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 Tuesday, June 2, 2009 at 6:30 p.m. in the Commissioners' meeting room in the Person County Office Building for the purpose of a budget work session.

Chairman Lunsford called the meeting to order. Commissioner Lunsford stated in his 15 years of service, he had not experienced as few of people speaking at the public hearing as appeared on June 1, 2009. Mr. Lunsford feels the citizens of Person County understand the Board is doing the best as possible with the amount of funding available. Commissioner Puryear was absent until 6:42 p.m.

County Manager, Heidi York described the spreadsheet titled Summary of Changes from Recommended to Adopted and asked the Finance Director to provide an explanation of the spreadsheet.

## Summary of Changes from Recommended to Adopted

Department	Explanation of Change	Revenue Changes	Expenditure Changes	Equivalent Tax Rate (1 cent = \$370,560)
	<b>General Fund</b>			
	<b>Recommended Budget</b>	<b>56,806,017</b>	<b>56,806,017</b>	<b>0.00</b>
<b>Revenues</b>				
	Decrease in sales tax projections	(137,901)		(0.37)
	Inspection Services reimbursement from City of Roxboro	(12,000)		(0.03)
	Moved the Recycled Fees to Person Industries for the MRF	(25,000)		(0.07)
	Increase Planning and Zoning Fees	2,500		0.01
	Decrease NC One Grant for Force Protection	(500,000)		(1.35)
	Restore Veterans Grant	2,000		0.01
	Reduction in 4-H YES Grant	(5,296)		(0.01)
	Approval of federal stimulus funds for DSS (Food & Shelter Program)	41,657		0.11
	Decrease in Transfers from the General Fund	(109,581)		(0.30)
	Increase in Transfer to Debt Service Fund from Sch Cap Reserve	79,738		0.22
<b>Expenditures</b>				
	Increase contracted services in Governing Body for landfill study		30,000	0.08
	Decrease operating expenses in Governing Body		(10,038)	(0.03)
	Reduction in 4-H YES Program		(5,296)	(0.01)
	Decrease vehicle capital for Sheriff's Department		(25,000)	(0.07)
	Decrease uniforms expense in Telecommunications		(900)	(0.00)
	Restore 5% of the 10% cut to the Volunteer Fire Departments & City of Roxboro		41,927	0.11
	Decrease PATS Administration Part-Time Salaries & Fringes		(5,549)	(0.01)
	Restore EDC position ( .60 FTE) and operating expenses		27,804	0.08
	Decrease Industrial Recruitment in EDC		(602,589)	(1.63)
	Decrease Hospital appropriation		(25,000)	(0.07)
	Restore Veterans position ( .60 FTE) and operating expenses		36,489	0.10
	Decrease contracted services in Recreation, Arts & Parks		(1,000)	(0.00)
	Decrease in Transfer to Other Funds from the General Fund		(66,092)	(0.18)
	Decrease in Contingency for Insurance Costs		(45,000)	(0.12)
	New position in DSS funded by stimulus funds		41,657	0.11
	Restore longevity pay for employees		252,198	0.68
	Decrease 401K employer contribution from 5% to 2.5%		(307,494)	(0.83)
	<b>Total Amended General Fund Budget</b>	<b>56,142,134</b>	<b>56,142,134</b>	<b>0.00</b>
	Difference of Amended Changes over Recommended	(663,883)	(663,883)	

June 2, 2009

## Summary of Changes from Recommended to Adopted

School Capital Reserve Fund			
	<b>Recommended Budget</b>	1,560,983	1,560,983
<b>Revenues</b>	Increase transfer in School Capital Reserve Fund from General Fund	79,738	0.22
<b>Expenditures</b>	Increase in transfer to the Debt Service Fund	79,738	0.22
	<b>Total Amended School Capital Reserve Fund Budget</b>	<u>1,640,721</u>	<u>0.00</u>
	Difference of Amended Changes over Recommended	79,738	
Person Industries Fund			
	<b>Recommended Budget</b>	2,320,723	0.00
<b>Revenues</b>	Increase transfer in Person Industries from General Fund	2,317	0.01
	Decrease transfer in PI/MRF from General Fund	(40,619)	(0.11)
	Moved Recycling Fees from Landfill Management to PI/MRF	25,000	0.07
<b>Expenditures</b>	Decrease Person Industries/MRF - White Goods Account	(15,000)	(0.04)
	Restore longevity pay for employees	27,027	0.07
	Decrease 401k employer contribution from 5% to 2.5%	(25,329)	(0.07)
	<b>Total Amended Person Industries Fund Budget</b>	<u>2,307,421</u>	<u>0.00</u>
	Difference of Amended Changes over Recommended	(13,302)	
Reappraisal Fund			
	<b>Recommended Budget</b>	196,501	0.00
<b>Revenues</b>	Decrease transfer in Reappraisal from General Fund	(1,847)	(0.00)
<b>Expenditures</b>	Restore longevity pay for employees	1,135	0.00
	Decrease 401k employer contribution from 5% to 2.5%	(2,982)	(0.01)
	<b>Total Amended Reappraisal Fund Budget</b>	<u>194,654</u>	<u>0.00</u>
	Difference of Amended Changes over Recommended	(1,847)	
<b>Total E911</b>		426,262	0.00
<b>Total Water &amp; Sewer</b>		<u>32,000</u>	<u>0.00</u>
<b>Total Amended Budget FY 2009-10</b>		<u>60,743,192</u>	<u>0.00</u>

Finance Director, Amy Wehrenberg summarized to the Board the adjustments from what was recommended in addition to desired changes the Board requested in the last budget work session. The total recommended budget for the general fund is \$56,806,017. The last column on the handout shows an equivalent tax rate change of zero (0) since this was a balanced budget at that point with no property tax increase. Ms. Wehrenberg started with the changes and adjustments in the revenue column for the general fund. The first one is a negative adjustment to the earlier recommended sales tax projections by (\$137,901). As part of the State's agreement to take Medicaid payments from counties, the calculation of who gets Article 44 taxes was adjusted. The first month's adjustment was done incorrectly and most counties will be docked due to an over-distribution of sales tax. Person County is one of the counties that received too much money in the fall of 2008, therefore a negative monthly adjustment to our sales tax will be recorded until November 2009. The Finance Office received news from the North Carolina Association of County Commissioners that revised models now predict a decline of 4% for 2009-10, on top of a revised 6.5% decline in 2008-09 collections. Ms. Wehrenberg stated the state's budget will be predicated on sales tax collections roughly 10% below what was collected in 2007-08, and based on future growth projections, it will take sales tax collections 5 years to return to 2007-08 levels. Based on these new projections, the Finance Director and County Manager felt there was no other recourse but to adjust the sales tax down to be more in line with the new forecast.

Ms. Wehrenberg noted the next item on the handout is a newly created line item for receiving reimbursed funds from the City of Roxboro for taking over part of their inspections services. However, this is showing a reduction from the recommended because it was originally based on a mid-range salary addition. The City of Roxboro's actual commitment for this came in lower; therefore the original recommendation was reduced. Recycling Fees was moved from the General Fund to Person Industries for the Material Recovery Facility. Planning and zoning fees have been increased due to recent Board action. Ms. Wehrenberg stated a large revenue change this year was the reduction in the NC One Grant for Force Protection for \$500,000 noting it was originally thought that Force Protection would meet the requirements for receiving this grant, however, this will not be the case. The Veterans Grant was restored for \$2,000 due to putting the Veterans position back in. There was a reduction in the 4-H YES Grant from the State for \$5,296. Federal stimulus funds for DSS's Food and Shelter program has been budgeted which is 100% federally funded. Ms. Wehrenberg explained that due to all of these revenue adjustments, she decreased the Transfers from the General Fund and increased the transfer to the Debt Service Fund from the School Capital Reserve Fund.

Ms. Wehrenberg proceeded to summarize the expenditures category. Contracted services in the Governing Body's budget have been increased to include the landfill survey in the amount of \$30,000, and the operating expenses in the Governing Body's budget was decreased for a total of \$10,038. This included the elimination of the retreat facilitator, other expenses associated with the retreat, expenses for the purchase of coffee, chamber banquet, half of the dues, and half of the travel reimbursements that agreed at the earlier budget work session. There was a reduction in the 4-H YES Program's expenditures as well to correspond with the reduction in the grant. The Finance Office decreased one of the vehicles for the Sheriff's department since it was decided recently to use leftover funds from a project fund to purchase one now. Telecommunications decreased the appropriation for uniforms. 5% of the 10% cut to the volunteer Fire Departments and the City of Roxboro was restored as decided in the last budget work session. Person Area Transportation Services decreased administration part-time salaries and fringes. The Economic Development position was restored at 60 % with operating expenses for \$27,804 equating to 22.5 hours per week with benefits. Ms. Wehrenberg explained the industrial recruitment decrease of \$602,589 is associated with Force Protection only corresponding with the absence of the \$500,000 grant and the amount spent out this year. The County Manager has proposed a further reduction in the Hospital Appropriation by another \$25,000 to balance the budget due to the recent adjustment in sales tax. The veteran's position was restored to 60% plus operating expenses which equates to 22.50 hours per week with benefits. The budget for contracted services was reduced for the Recreation Arts and Parks Department by \$1,000. Ms. Wehrenberg stated the Finance Office decreased the amount that transfer to other funds from the general fund by \$66,092. Due to the cost savings from a new quote from our property and liability insurance vendor, Finance restored \$45,000 to the recommended estimate. The new position in DSS created by the stimulus funds revenue noting the county is not putting any money into this position. The longevity pay for employees was restored and to balance, the county's 401k contribution was cut from 5% to 2.5%. Ms. Wehrenberg stated the reductions totaled \$663,883 from the manager's recommended budget, noting all revenues and expenditures balance without a tax increase.

Ms. Wehrenberg explained the School Capital Reserve Fund on the revenue side an increase transferred from the General Fund into the School Capital Reserve fund. This reflects the amount of change in the sales tax dedicated to school due to adjustments in the sales tax. To balance this, on the expenditures side an increase was transferred to the Debt Service Fund.

Ms. Wehrenberg noted in the Person Industries Fund, the revenues side are increased transfers in Person Industries from the General Fund and decreased transfer in PI/MRF from the General fund, and recycling fees have been moved from landfill management in the General Fund to PI/MRF. On the expenditures side, a decrease in the Person Industries/ MRF white goods account.

As Ms. Wehrenberg stated the longevity had been restored to all employees while decreasing the county 401k contribution from 5% to 2.5% which left a difference from the managers recommended budget of 13,302, which balances on both the revenues and expenditures side.

Lastly, the Finance Director examined the Reappraisal fund, highlighting the revenue side by a decreased transfer into the re-appraisal from the general fund. On the expenditure side, Finance simply restored the longevity and cut the 401k from 5% to 2.5% as we did with the other funds that have employees. There were no changes in the E911 or Water and Sewer Fund.

Ms. Wehrenberg stated all the adjusted changes equals a final balanced budget in the amount of \$60,743,192 with total reductions from the recommended budget in the amount of \$599,294.

The group discussed options about the hospital appropriation, the EDC position, the Veterans position as well as the impact of the State of NC budget shortfalls.

A **motion** was made by Commissioner Clayton, **seconded** by Commissioner Jeffers to adopt the Person County 2009-2010 Budget as presented with the adjustments.

A **substitute motion** was made by Commissioner Puryear, **seconded** by Commissioner Kennington to delay adoption of the Person County 2009-2010 Budget until the next scheduled work session on June 8, 2009. The **substitute motion was defeated 2/3**. Commissioners Puryear and Kennington voted in favor and Commissioners Lunsford, Clayton and Jeffers voted against.

Commissioner Lunsford directed the Board back to the original motion. As discussion continued related to Commissioner Kennington's suggestions of potential items to add back in the budget, Commissioner Lunsford asked for a motion to suspend rules to allow discussion.

A **motion** was made by Commissioner Clayton, **seconded** by Commissioner Jeffers, and **carried to suspend rules** to allow further discussion.

A **motion** was made by Commissioner Clayton, **seconded** by Commissioner Jeffers, and **carried to withdraw the original motion**.

A **motion** was made by Commissioner Clayton, **seconded** by Commissioner Puryear, and **carried to table adoption of the 2009-2010 Budget until Monday, June 8, 2009 at 9:00 a.m.**

**RECESS:**

A **motion** was made by Commissioner Puryear, **seconded** by Commissioner Kennington, and **carried** at 7:31 p.m. to recess the meeting until June 8, 2009, at 9:00 a.m.

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Brenda B. Reaves  
Clerk to the Board

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Johnny Myrl Lunsford  
Chairman

**June 2, 2009**