

**PERSON COUNTY BOARD OF COMMISSIONERS**

**June 2, 2008**

**MEMBERS PRESENT**

**OTHERS PRESENT**

Johnny Myrl Lunsford, Chairman  
Jimmy B. Clayton, Vice-Chairman  
Kyle W. Puryear  
Larry H. Bowes  
Larry E. Yarborough, Jr.

Steve Carpenter, County Manager  
C. Ronald Aycock, County Attorney  
Faye T. Fuller, Clerk to the Board  
Brenda Reaves, Deputy Clerk to the Board

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The Board of Commissioners for the County of Person, North Carolina, met in regular session on Monday, June 2, 2008 at 7:00 p.m. in the Commissioners' meeting room in the Person County Office Building.

Chairman Lunsford called the meeting to order. Commissioner Clayton led in prayer and Commissioner Bowes led the Pledge of Allegiance.

**DISCUSSION/ADJUSTMENT/APPROVAL OF AGENDA:**

There being no adjustments, a **motion** was made by Commissioner Puryear, **seconded** by Commissioner Bowes and **carried** to approve the agenda as presented.

**INFORMAL COMMENTS:**

No one spoke.

**ADMINISTRATIVE REPORTS:**

The following Administrative Reports were received and accepted by **motion** of Commissioner Bowes and **second** by Commissioner Clayton.

**CONSIDERATION OF REQUEST BY ANIMAL PROTECTION SOCIETY (APS) OF PERSON COUNTY FOR RENEWAL OF AGREEMENT BETWEEN APS & PERSON COUNTY:**

Rhonda Beech, and Cathy Williams appeared before the Board to ask that the Agreement between the Animal Protection Society and Person County which expired be renewed for another ten (10) years. The Agreement allowed APS to pull any animal (cat or dog) from the shelter, which reflects a cost savings to the county. Ms. Williams explained that APS had been successful in getting animals adopted out of the shelter. Ms. Williams stated that some agreement needs to be in place and this agreement defines the mission of the APS. She said APS is vested in animal welfare.

A **motion** was made by Commissioner Puryear and **seconded** by Commissioner Bowes to approve the renewal of the Agreement.

Commissioner Clayton questioned if Animal Control Advisory Committee approved of the Agreement. Commissioner Puryear stated there have been disputes on the Board regarding the Agreement, but in his best opinion, it is the best approach. He said he feels that open communication between the Animal shelter and APS can resolve many of the issues experienced in the past.

The motion **carried** unanimously.

NORTH CAROLINA  
PERSON COUNTY

*THIS AGREEMENT made this 2nd day of June, 2008, by and between Person County, a body politic and corporate, (the "County"); and the Animal Protection Society of Person County, Inc., a North Carolina nonprofit corporation, (the "Animal Protection Society").*

WITNESSETH:

*THAT WHEREAS, the County obtains possession of homeless animals and is charged with the duty of disposing of said animals;*

*THAT WHEREAS, the Animal Protection Society is a corporation which has been organized for the purpose of providing care and protection for animals in Person County and has agreed to provide placement of homeless animals which have come into the possession of County.*

*NOW, THEREFORE, in consideration of the mutual covenants contained herein the parties agree as follows:*

1.

*County agrees that the Animal Protection Society shall have the right to obtain possession of any animal in the possession of County that County has the right to dispose of.*

2.

*In consideration of the County having monetary savings by not being required to dispose of unclaimed animals, the Animal Protection Society shall not be required to pay any customary fees which are charged by the County for obtaining possession of said animals.*

3.

*Animal Protection Society agrees to coordinate with the Person County Animal Control Officer so as to determine mutually beneficial times for Animal Protection Society representatives to observe and obtain animals within the possession of the County.*

4.

*County does not warrant the physical condition of any animal obtained by the Animal Protection Society and the Animal Protection Society agrees to hold County harmless for any and all damages sustained by it on account of said animals.*

5.

*This contract shall be for a contract terms of ten years from the date set forth above but may be terminated by either party by written notice to the other.*

PERSON COUNTY  
Johnny Myrl Lunsford, Chairman  
Board of Commissioners

ATTESTED BY:  
Faye T. Fuller, Clerk to the Board

ANIMAL PROTECTION SOCIETY OF  
PERSON COUNTY, INC.

By: Cathy Williams, President

ATTESTED BY:

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Secretary

**CONSIDERATION OF REQUEST TO AMEND CEFFO FIRE DEPARTMENT INSURANCE DISTRICT NARRATIVE:**

County Manager Carpenter informed the Board that a request had been received from Ceffo Volunteer Fire & Rescue Department, Inc. for a correction in the boundary definition where it crosses State Route 1306, Robertson Road. Per a letter from D. Blake Whitt, Fire Chief, the map shows a section of S/R 1306 that is between points 7 and 8 that is excluded from the Ceffo fire district. When you refer to the written narrative, you will notice that point 7 is eight-tenths of a mile west of the intersection of 1306 and 1307 (John D. Winstead Road). Point 8 is established as being six-tenths of a mile east of the intersection of 1306 and 1305 (Mill Hill Road). The error is revealed if you add the eight-tenths of a mile to point 7 and the six-tenths of a mile to point 8, you have a total distance along Robertson Road of 1.4 miles. Robertson Road is only 1.3 miles long; therefore, it is clear that the fire district gap in the middle of Robertson Road does not exist and was created by a cartography error using a compass divider to measure distance on the map.

On May 20, 2008 the Fire Department verified the exact six mile road distance from the main Ceffo station at 1291 Concord-Ceffo Road to the six mile distance point on Robertson Road. The distance from the station using the eastern approach off of Highway 67 (Semora Road) via Long's Store Road and John D. Winstead Road was measured. The six mile termination point was in front of 945 Robertson Road. (Robertson Road is numbered low to high from John D. Winstead Road to Mill Hill Road.) The western approach was measured to Robertson Road via Brooks Dairy, Gardner, and Mill Hill roads. This resulted in the six mile termination point being in front of 626 Robertson Road. This indicates an overlap of three-tenths of a mile or 1,584 feet. There is in fact no gap as shown on the map.

Fire Chief Whitt requested Board approval of the correction and that the request be forwarded to the NCDOI with the request that points #7 and #8 be eliminated so that all locations accessed off of Robertson Road be included within the Ceffo fire district and the remaining points through #20 be renumbered.

A **motion** was made by Commissioner Yarborough, **seconded** by Commissioner Bowes and **carried** to approve the request as presented.

**APPROVAL OF AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING FOR RURAL TRANSPORTATION PLANNING ORGANIZATION OF THE KERR-TAR RPO:**

County Manager Carpenter told the Board that essentially the Amendment to MOU is due to the incorporation of the Town of Butner into the RPO. Also there are some minor administrative changes that are outlined as mandated by the NCDOT. The MOU outlines the operation and administration of the RPO.

Commissioner Yarborough stated that the Roxboro-Person County Transportation Advisory Committee has not met and discussed the Amendment. He said there are some concerns and issues which need to be addressed by the TAC prior to approval.

A **motion** was made by Commissioner Yarborough, **seconded** by Commissioner Puryear and **carried** to table approval of the Amendment until the Transportation Advisory Committee meets to review and make a recommendation.

## **PRESENTATION OF PROPOSED BUDGET 2008-2009:**

May 28, 2008

To: Person County Board of Commissioners (the" Board")

From: Andrew Davenport (Finance Director), Amy Wehrenberg (Assistant Finance Director), Russell Jones (Tax Administrator), Janet Clayton (Health Director) and Beth Farabaugh (Finance Accounting Supervisor), FY2009 Budget Team (the "Team") and Steve Carpenter, Manager

Re: Budget Message for Fiscal Year 2008-09

### ***Budget Setting***

The Team was commissioned by retiring County Manager and Budget Officer Steve Carpenter to prepare the budget for FY2009 for his concurrence and to provide for a resource to his successor. The Board has not given any formal directions concerning their funding preferences for the upcoming fiscal year. The Team, however, is well aware of the ever present and clarion call for "holding the line" regarding a tax rate increase.

### **Process**

As required by NC General Statutes, the Board holds a public hearing to receive input from residents of the County on the recommended budget. Considering the fact that this budget is one of the most difficult in recent years in terms of the amount of requests and estimated revenues available for funding them, the Team urges the Board to carefully study the budget document during the first week after its presentation. Since the Team's recommended budget may seem severe to some departments, it believes that the Board should hold work sessions during the week before the public hearing to receive input from Department Managers. Delaying any action on the budget until after receiving input from the public reinforces the perception that the Board views what they say as important.

### **Planning**

We remind the Board that it has from time to time expressed an interest in planning for future capital needs and has reviewed with interest the Capital Improvement Plan (CIP). (The CIP is a document detailing capital items with costs above \$50,000 prepared

annually by management and staff.) However, the Board has neither formally adopted any of these CIP's nor appropriated any money to fund them. We believe that the County residents should be involved in the CIP process and their support sought for funding of future capital needs. The Team urges the Board to schedule public hearings on the CIP and, after public input, formally adopt the CIP including a plan for its funding incorporating it into the annual budget.

## **Projects**

Within this year's CIP are several re-roofing projects requested. While we received no CIP requests from the Public Schools this year, we know from previous years that there are several school buildings in need of roof replacement. The County successfully completed a number of roof replacements a couple of years ago and saved by bidding five roofs together. The Board should consider repeating this strategy.

Courthouse renovations are already in the planning stage but there is no funding plan in place to pay for this. This is a perfect example of where a more formal approach strengthens the budgeting process.

## **Prominent**

FY2009 requests, if funded, would require a tax increase of \$0.28 (equivalent to \$10,510,780); therefore, holding the line on a tax rate increase seems improbable to say the least. We had hoped to hold any increase to five cents while appropriating one million dollars of fund balance.\* However, we remind the Board that during last year's budget process the Finance Director indicated the FY2008 budget was hiding a five cents tax increase that would show itself when preparations began on the FY2009 budget. [Whenever a budget is balanced using revenues that do not repeat in the subsequent year, there are only two outcomes: increase revenues (Usually, this means a tax increase.) or reduce spending (This can result in a lowering of service levels for County residents.)] Eliminating 28 cents worth of requests in any local government's budget is a daunting task. Each Department Manager deems his/her request important and essential. However, the fact that every year many departments' and agencies' requests go either partly or completely unfunded, and the world does not end, provides very little comfort to those (staff and Commissioners) who struggle with spending recommendations.

\* Since final FY2007 results yielded an increase in general fund balance of \$1.5 million, we believe that it's logical to use a portion of this to absorb some of the built-in tax increase. On the other hand, the Board appropriated \$1.1 million of fund balance for Force Protection, Inc during FY2008 and more than two-thirds of that has been spent. Nevertheless, we recommend using \$1,155,395 in order to hold the recommended tax increase to eight cents.

## **Particulars**

The Public Schools current expense appropriation request is up nearly 40% over the current year's amount. We limited all outside agencies to our growth figure of 2%.

## **Personnel**

We first looked at the largest area of the budget – personnel. The current (March 2008) CPI for the southern region is 4.4% but we are recommending a cost of living adjustment (COLA) of three percent (3%). A one percent (1%) COLA increase in our current payroll is approximately equal to \$169,000. The recent MAPS study indicates that the Board

prefers that County employees' pay be competitive with the surrounding area; therefore, we are reluctant to reduce the COLA any lower. The Board's effort at maintaining work force competitiveness is evidenced by scheduling one-third of the workforce for a review by the MAPS Group each year. The budget reflects the cost of this review and resulting salary adjustments in a Contingency line. One-half of the annual cost is appropriated since salary adjustments are intended to go into effect in the mid-year.

### **New Positions**

Salaries and benefits are currently nearly \$20 million and by far the largest single component of our budget. The Board has very recently brought the County workforce closer to "the market" than it has been in probably two decades. At a time when the local economic conditions are likely to deteriorate along with the national economy, it is not prudent to expand the workforce and thereby increase the burden on taxpayers. Twenty new positions were requested. The Team recommends that the Board fund none of these positions with exception to the Chaplain position in the Health Department, but, in so doing, that it assure itself that the level of services to their constituency is adequate to provide for their health and safety. [The Chaplain position in Public Health is recommended but it is in the place of another within the Health Department at a cost of approximately \$6,000. This decision removes the risk of losing a major revenue source – Hospice revenues (\$815k) – because the position is required due to Medicare and Accreditation Standards.] Eliminating all position requests except for the Chaplain reduces appropriations by approximately \$814,000.

### **Overtime and Part-time**

Departments requested \$2.2 million for overtime and part-time, almost exactly a 10% increase over the adopted budget for FY2008. The Team recommends an increase closer to five percent (5%). In our process we recommended a reduction in nearly every request, adding back to some because new positions were all eliminated. Again, we urge the Board to take into account the effect this may have on the level of services to residents.

### **Capital Improvement Plan**

The only appropriation from the Capital Improvement Plan (CIP) recommended is the match for the Parks and Recreation Trust Fund Grant (PARTF) awarded to the County to build the Educational Building at Lake Mayo Park. This is \$302,500 out of \$6,679,430 total requests. Other requests include:

- David Rogers is requesting \$520,000 for re-roofing of the Olive Hill gym (\$160k) and the Public Library (\$250k) and the replacement of the hot water system at the Law Enforcement Center (\$110k).
- Michael Day is requesting new EMS billing software costing \$65,000.
- PCC requests funding for their proposed new Technical Education Building projected to cost \$1,801,930 and a roof replacement (\$200k).
- Glen Newsome is requesting 50% of \$7 million commitment to establish a Revolving Incentive Fund, a Shell Building Fund and a Land Acquisition Fund (\$1 million each for FY2009), all designed to increase the County's competitive position with other communities and states and provide what industries are currently looking for in a location. Additionally, \$500,000 is requested for a Revolving Water and Sewer Fund to provide for W&S extensions to the south of

the Person County Executive Airport to meet development needs in the part of the County and add that area as one for industrial parks/sites.

- Mitch Pergerson has requested for the Parks and Recreation Department \$592,500 for the following items: (1) the matching portion of a (PARTF) grant for an Educational Building at Mayo (\$302,500); (2) Helena Gym improvements (\$80k); (3) renovations to the old DSS Building to provide for P&R offices and a recreation center (\$100k); (4) playground equipment improvements (\$50k); (5) and repaving three walking tracks \$(60k).
- We received no CIP requests from the Board of Education.

## ***Capital Requests***

### **General**

Departments requested \$138,567 for capital items with costs between \$5,000 and \$50,000. The list of these items is in the front section of the Budget document. We recommend furniture and equipment for the Register of Deeds (\$12k requested) and Tax Administration (\$25,641 quote from the vendor) since they are integral to occupying the renovated old Maxway Building. We recommend purchasing the livestock trailer for Animal Control (\$12k) and the plotter for GIS (\$18k). We also recommend the purchase of equipment and furnishings for the Educational Building at Mayo (\$28k). As you can see other than vehicles and motorized equipment, capital purchases for FY2009 can easily be characterized as lean at a total of \$95,641.

The Public Schools requested \$891,100 for capital items. A determination was made that items eligible for funding from lottery proceeds totaled \$510,700. The remaining items requested totaled \$380,400 and \$53,300 was recommended. Some of these were legal mandates and others related to safety and security.

### **Technology**

Technology requests total \$390,912. The equipping of the Maxway Building for relocating Tax Administration and Register of Deeds offices total \$91,525. Requests for the IT department total \$99,652. This figure includes normal the upgrading and maintaining of the County's network. A special project for IT for next year is the purchase and installation of a special server machine and fiber channel switch that will enable County departments to back-up off site to this new machine and also provides for safer and easier disaster recovery. Additionally, buying and maintaining multiple servers every year throughout the County will be eliminated and, thereby, savings realized. Equipment (\$44k) to complete the system that eliminates dead spots for radio communication by public safety officials (law enforcement, fire, EMS, etc.) and provide "wireless hot spots" for inspection officials and County tax appraisers to transmit secure data back to their offices saving gas and time.

The balance of Technology requests consists of normal annual workstation upgrades and new printers and software. Other items include phone system for Law Enforcement Center (\$15k) and maintenance contingency for DSS phone system (\$10k) and bring monitoring of fire alarm system in-house replacing external provider (\$19k). Total recommended is \$382,512.

## ***Special Projects***

Public Works Director, David Rogers, submitted a list of Special Projects totaling \$253,000. He believes that the bottom three projects can be delayed so his request is \$158,000.

## ***Vehicles***

Vehicle requests total nearly \$1 million and do not include \$90,000 that is part of the early replacement program. This figure is nearly double what it was only three or four years ago. The Team realizes that additional Sheriff's vehicles and a new ambulance were requested but still thinks this is unusually high. There are grant funds to support 90% of the cost of the \$38,600 lift van requested by PATS. The Sheriff and EMS vehicles were not recommended because their new positions requests were not recommended. We did not recommend replacing the following vehicles: Emergency Communication's aging Crown Vic (because of changes in that department), Cooperative Extension's van (because grant monies have been awarded to fully fund this request and a replacement van is expected to be acquired before this year ends); Parks and Recreation's two trucks; Public Health's car and Environmental Health's SUV (because the Director believes she can get one more year on the old ones); DSS's three vehicles (because, if safety of workers is the primary issue, hand-me-down vehicles would provide the diversity of differing vehicles needed); and Reappraisal's car (because a hand-me-down vehicle would serve the need for at least another year). The vehicles recommended totaled \$552,100 supported by \$34,740 in transportation grant funds.

It is too early to determine if the program involving early replacement of primarily 4WD trucks is working successfully. More history is needed to make an accurate assessment. State vehicle contracts are not awarded until late fall each year so results of this program are essentially unavailable until the following year. The cuts in requested vehicles impact the early replacement program in that if there are no recently purchased trucks, then there are none to replace early. When the County is faced with demands on its resources to the extent that it is for FY2009, the pressure to restrain funding requests is so great that it is difficult not to cut vehicle requests. This situation makes maintaining an adequate fleet difficult. For this reason the Team and others believe that a formal vehicle replacement program should be adopted by the Board that establishes precisely the type and number of vehicles to be replaced each year so that they can not be cut from succeeding years budgets.

## ***New for FY2009***

The beginning of meeting the space needs of courts begins in FY2009 with the moving of Tax Administration and Register of Deeds offices to the Maxway Building and the architectural planning that began recently for courthouse renovations. Eventually, the Board will have to provide the funds for this project. If an Installment Financing is the preferred mechanism then we suggest the Board plan to include as many other projects (re-roofing, PCC building construction, Parks & Recreation projects, etc.) as the Board currently considers essential.

All members of the Board are well aware of the pressure that fuel prices are having on our budget. Departments were advised to budget carefully for fuel for FY2009. Given the recent sharp increases in gasoline and diesel fuel prices, we believe it prudent to provide some contingency for this and, therefore, have included \$120,000 fuel contingency line. Aside from the contingency for the MAPS salary adjustments and IT



already mentioned previously, in contingency there is \$200,000 undesignated, \$15,000 for unemployment insurance (pay-as-you-go) payments, \$383,237 for auto, liability and casualty insurance and \$13,032 to round off the tax rate to a whole penny.

The budget contains a proposal for restructuring the method that the County provides funding for fire protection and rescue services. This is described in the Fire Marshal's summary and has been discussed with the Board in a prior Commissioners' meeting. It essentially segregates and increases the overall property tax rate that is used to provide fire protection and rescue services. This proposal has not been recommended because changes will be required in tax billing software and there is insufficient lead time to complete this before FY2009 begins.

While not included within the FY2009 recommended budget, the Board will need to keep in mind that it may be called on to make additional appropriations for recycling efforts that have been proposed by Wanda Rogers, Person Industries Director.

## ***Revenues***

The Medicaid expenditure request is down significantly reflecting Medicaid Relief. Article 44 sales tax revenues are also down for the same reason. This revenue source is halved beginning October 1, 2008 and the City of Roxboro will be held harmless for the loss of their share of this revenue. Distributions from the Department of Revenue to the Public School Building Capital Fund (PSBCF) will be fully restored for FY2009. The source was heavily spent (\$800k) in FY2008 so it is \$500,000 less for FY2009. The PSBCF is used to repay debt incurred for school construction. Interest earnings' estimate is down due to the Federal Reserve's lowering of the Fed Funds rate over the past year. Inspections revenues are down along with building starts. Some other revenues are down but, because they are tied to expenditures, the effect on FY2009's budget is negligible.

## ***Final Word***

The Team thanks the Manager for his confidence in them to undertake a very formidable task that the FY2009 budget has presented to it. The members have an even greater respect for the budget preparation exercise. We guarantee that this recommended budget is not perfect. However, we gave it our best effort and now wish the Board well in deciding what is in the best interest of the residents of Person County.

We urge each Commissioner to read the budget document thoroughly and pay close attention to all the departments' summaries because they contain valuable insight into their judgment of how best to provide a responsible level of service to County residents.

Lastly, we recommend that the Board add the requirement that transfers from the salaries and benefits, auto supplies and capital outlay account lines to other lines within the same department be allowed only by budget amendment. Any amounts unused in these areas should be allowed to carry forward into fund balance for future use.

A **motion** was made by Commissioner Yarborough, **seconded** by Commissioner Clayton and **carried** to establish the following dates for budget work sessions and the Budget Public Hearing.

Monday, June 9, 2008 – 1:00 p.m. – Public/Employee Session/Work Session

Monday, June 9, 2008 – 6:30 p.m. – Public Comment Session/Work Session

Monday, June 16, 2008 – 7:00 p.m. - BUDGET PUBLIC HEARING

**CHAIRMAN’S REPORT:**

- ▶ Gang Task Force organized – citizens from all aspects of Person County – trying to curtail drug issue in county. Committee is working –moving forward – needs support from all citizens.

**MANAGER’S REPORT:**

- ▶ County Assembly Day – June 10, 2008
- ▶ Wanda Rogers has DEHNR officials to help review Business Plan for proposed Materials Recovery Center (MRF)

**COMMISSIONER REPORTS/COMMENTS:**

- ▶ Commissioner Yarborough – Commented about price adjustment due to Senate Bill 1492 as relates to Upper Piedmont Environmental. Effective July 1, 2008, Republic Services of NC, LLC d/b/a Upper Piedmont Environmental will be adjusting all other landfill pricing to add \$2.75 per ton to its disposal fee.

**CLOSED SESSION:**

A **motion** was made by Commissioner Yarborough, **seconded** by Commissioner Bowes and **carried** to go into Closed Session at 8:18 p.m. pursuant to G.S. 143-318.11(a)(6)-Personnel.

Upon returning to open session at 8:28 p.m. there was no public statement made.

**RECESS:**

A **motion** was made by Commissioner Bowes, **seconded** by Commissioner Yarborough and **carried** to recess the meeting until Monday, June 9, 2008 at 1:00 p.m. for a Budget Work Session.

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**Faye T. Fuller, CMC**  
**Clerk to the Board**

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**Johnny Myrl Lunsford**  
**Chairman**