

PERSON COUNTY BOARD OF COMMISSIONERS
MEMBERS PRESENT

June 7, 2007
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

The Board of Commissioners for the County of Person, North Carolina, met in recessed session on Thursday, June 7, 2007 at 10:00 a.m. in the Commissioners' Room of the Person County Office Building. The purpose of the meeting was for budget deliberations.

Chairman Lunsford called the meeting to order at 10:07 a.m. and informed the group they would hear from the County Manager as well as the Finance Director related to proposed budget. Mr. Lunsford noted the Board had received good information from the Public Forum held on May 29, 2007.

Mr. Carpenter reviewed with the Board that there was 18 more funding requests from the Public Forum, some of which has lost State funding for programs, now looking to the County to fund. Mr. Carpenter gave the group some updates on bills currently active in legislation. Mr. Carpenter introduced to the Board what he called "Buyer Remorse". He explained after giving the Board the proposed budget (increasing taxes at 5 cents), there were no capital improvement projects included. Mr. Carpenter further explained that special building projects that are critical should be considered by the Board. The items include: 1) Cooling Tower (\$50,000); 2) replacing the central control panel at the Law Enforcement Center (\$75,000); 3) Helena Gym (\$100,000) and 4) improvements to 3 walking tracks (\$60,000) noting Hurdle Mills walking track in the worst condition estimating using \$20,000 of the \$60,000. Mr. Carpenter noted that other than design dollars, no money is in the proposed budget for the Courthouse renovations.

Mr. Andy Davenport, Finance Director, commented to the Board that vehicles have been funded out of a reserve that is now empty and future purchases would be a regular recurring expense possibly requiring raising taxes. The group discussed funding future capital projects on debt. Mr. Davenport noted it is increasingly difficult to fund multiple projects due to financing and dedicating appropriate collateral, i.e. the Courthouse is already being used for collateral. Mr. Davenport noted his "Buyer Remorse" issue is that there are not enough revenues to support expenditures. He gave the example that if the proposed budget (5 cents tax increase) was adopted today and to maintain the same budget for the next years would require an additional 4.1 cent tax increase. The group discussed the County's over \$10.2 million in financed debt and options to possibly refinance at a lower rate as well as possibly take advantage of the low finance rate to finance even more projects.

Mr. Lunsford announced to the group at 11:00 a.m. to take a 5-minute break and to return with an idea of which direction to follow: current tax rate budget or by the proposed budget at a 5 cent increase. Upon return to the meeting the Commissioners listed their direction: Commissioner Yarborough indicated he would like to cut pennies out of the proposed budget and could live with a 1 or 2 cent(s) increase. Commissioner Bowes commented he agreed with the

proposed budget increasing taxes at 5 cents. Commissioner Puryear confirmed that he did not want to raise taxes and would like to keep the present rate. Commissioner Clayton felt it was necessary to increase taxes per the proposed budget. Commissioner Lunsford supported the 5 cent increase per the proposed budget.

The group proceeded to discuss specific line items in the proposed budget.

Commissioner Lunsford made the motion and Commission Clayton seconded to recess until Friday, June 8, 2007, at 1:00 p.m. to further work on the proposed budget.

Faye T. Fuller, CMC
Clerk to the Board

Johnny Myrl Lunsford
Chairman