

PERSON COUNTY BOARD OF COMMISSIONERS
MEMBERS PRESENT

JANUARY 31, 2011
OTHERS PRESENT

Jimmy B. Clayton

Heidi York, County Manager

Kyle W. Puryear

B. Ray Jeffers

Brenda B. Reaves, Clerk to the Board

Samuel R. Kennington

Frances P. Blalock

The Board of Commissioners for the County of Person, North Carolina, met in recessed session on Monday, January 31, 2011 at 9:00 a.m. at the Mayo Park Educational Center for the purpose of the annual Board Retreat.

Chairman Clayton called the meeting to order and welcomed the group. Chairman Clayton requested to add an item to the agenda for consideration an appointment of an elected official as an alternate to the Transportation Development Plan Committee. It was the consensus of the group to add the requested item to the agenda.

County Manager, Heidi York welcomed the group, identified herself as the Retreat Facilitator for the day and highlighted the Retreat Goals:

- Understand Person's current finances and future challenges
- Create priorities and strategies to influence FY11-12 Budget
- Align the FY11-12 Budget with the Strategic Plan

FINANCIAL STATE OF THE COUNTY:

Mr. Jim Winston of Winston, Williams, Creech, Evans & Company, LLP, Certified Public Accountants, presented the Board with the Fiscal Year 2009-2010 Audit.

Person County
June 30, 2010

Audit Presentation

Winston, Williams, Creech, Evans & Co.
LLP

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Overview



- ♦ Person County has received an unqualified opinion on their June 30, 2010 financial statements.
- ♦ Person County again received the Certificate of Excellence in Financial Reporting for fiscal year 06/30/09 and submitted the 6/30/10 report to GFOA.

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GASB # 34 Highlights

♦ Management's Discussion and Analysis

♦ Statement of Net Assets

	<u>2009</u>	<u>2010</u>
Total Assets	\$ 47,629,559	\$ 48,534,545
Total Liabilities	<u>23,212,508</u>	<u>20,292,856</u>
Net Assets	<u>\$ 24,417,051</u>	<u>\$ 28,241,689</u>

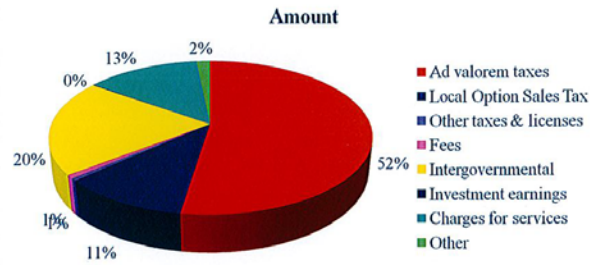
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Statement of Activities

	2009	2010
Revenues	\$ 53,616,297	\$ 52,537,774
Expenditures	<u>51,570,133</u>	48,713,136
Increase in Net Assets	\$ 2,046,164	\$ 3,824,638
Beginning Net Assets	<u>22,370,887</u>	<u>24,417,051</u>
Ending Net Assets	\$ 24,417,051	\$ 28,241,689

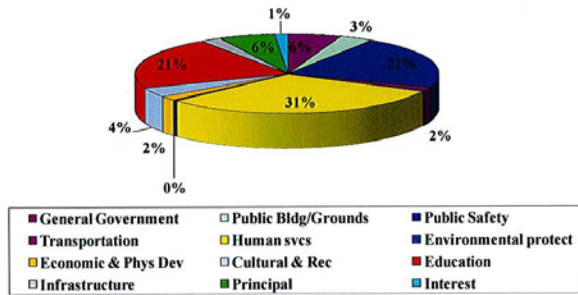
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Governmental Revenues



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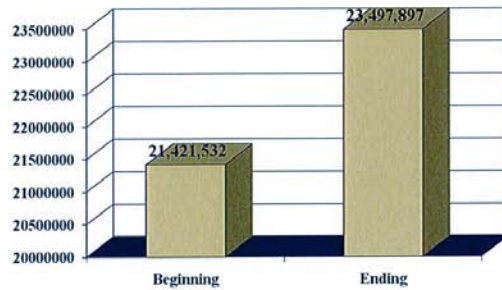
Governmental Fund Expenditures



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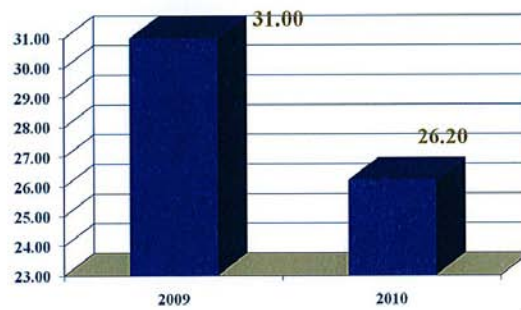
January 31, 2011

Fund Balance- All Governmental Funds



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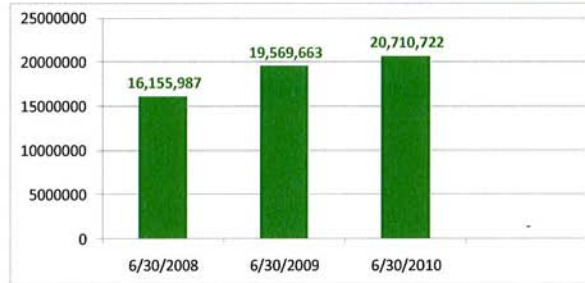
General Fund Unreserved Fund Balance- as a % of Expenditures



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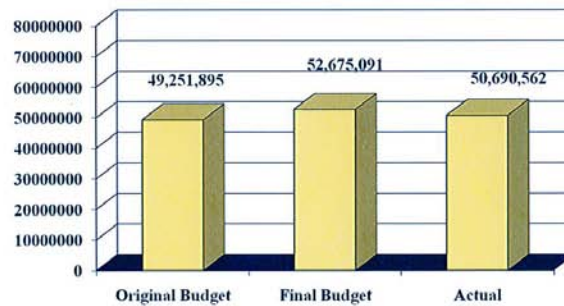
January 31, 2011

Cash



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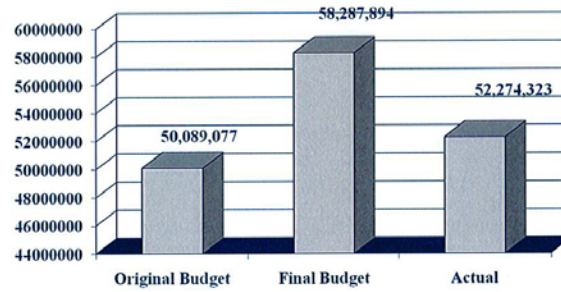
General Fund Revenues



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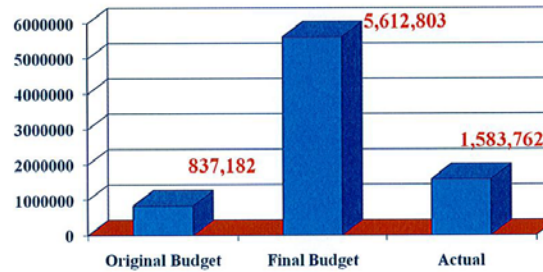
January 31, 2011

General Fund Expenditures



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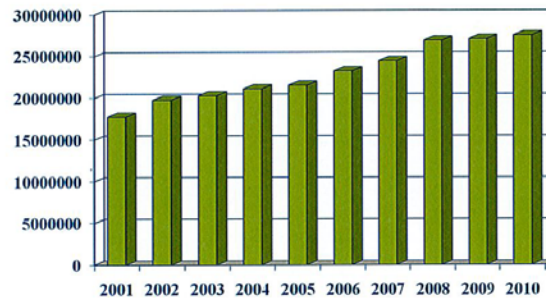
Appropriated Fund Balance



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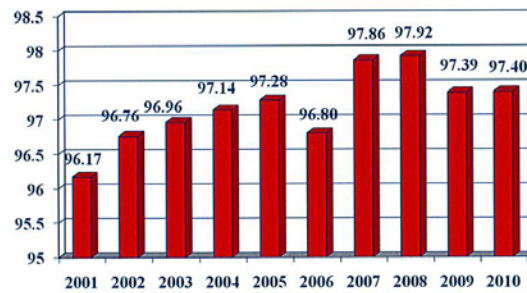
January 31, 2011

Adjusted Tax Levy



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Tax Collection Percentages



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January 31, 2011

Ms. York led a group discussion of Fund Balance with the following presentation:

Fund Balance

Purposes:

- Cash Flow
- Avoid Borrowing
- Operating Cycle (taxes collected in Dec)
- Reserve for Emergencies, Unforeseen Events, Unexpected Opportunities
- Helps Protect Credit Rating & Obtain Lower Interest Rates on Borrowings

Legal Definition (G.S. 159-8a)

- Formula = cash & investments minus liabilities & encumbrances
- As figures stand at June 30 of preceding year
- Sources: unbudgeted fund balance carried forward from prior year; conservative revenue estimates or under-spent appropriations in current year

LGC Recommendations

- A minimum of 8% (of general fund exp) for cash flow purposes
- 8% - approximate amount to cover one month's operating expenses
- Reality: "larger amounts are needed"
- Consider balance in relation to expenditures
- Consider individual government's situation
- Benchmark with similar-sized governments
- Officials should increase fund balance when economic conditions affecting local revenues and expenditures worsen
- Adopt and adhere to a fund balance policy

Person County Policy

- Capital Reserve Fund Resolution adopted in 2004
- No appropriations from FB that would diminish FB below a target of 18% (~\$4M)
- Appropriate FB in excess of 21% to the Capital Reserve Fund for capital projects (\$2.6M of the \$4M; leaving \$1.5M for gen fund expenses)

Appropriate Uses

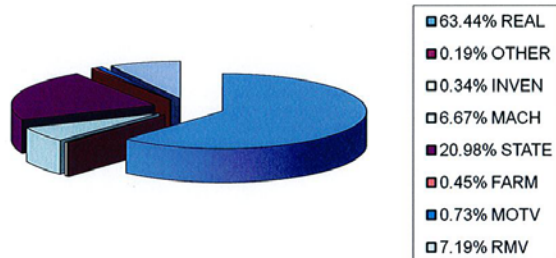
- Pay-as-you-go financing of capital improvements
- One-time, special project expenditures
- Non-operating, non-recurring expenses

An Appropriate Amount?

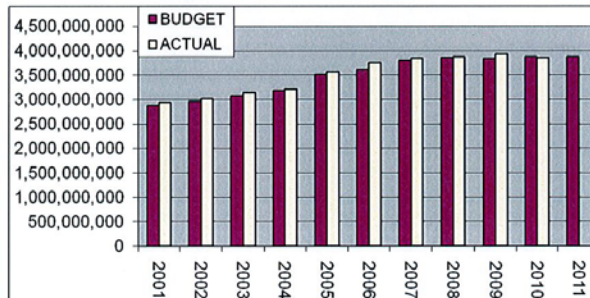
- Consider other counties of similar size
- Smaller and medium-sized counties (less than 100,000 pop) have between 20 to 30 percent
- "May seem excessive, but is not considering actual dollar amount that these percentages represent in relation to the large unforeseen expenditures that these sized counties must make to meet emergency needs."

Tax Administrator, Russell Jones gave the Board information related to Property Tax Collections and Revaluation attributing the good collection rate to staff efforts, 92% of citizens that pay their taxes without persuasion and the support of the Board.

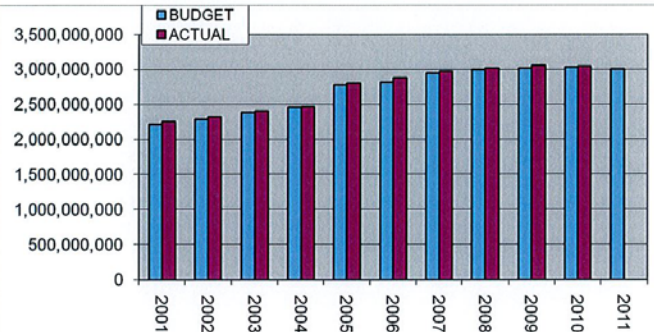
Where did the 2010 levy come from?



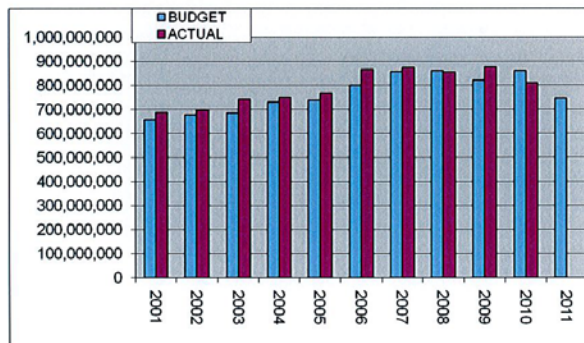
TOTAL LEVY- BUDGET VS ACTUAL



PROPERTY VALUE-NOT INCLUDING STATE APPRAISED- BUDGET VS ACTUAL



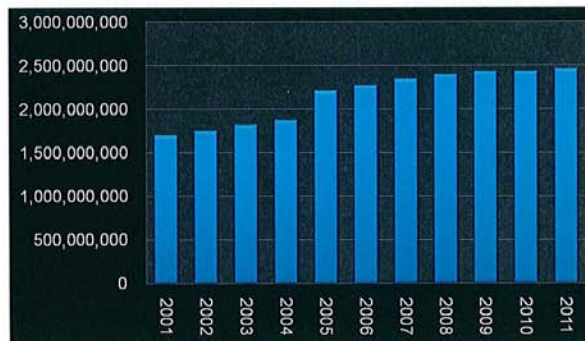
STATE APPRAISED- BUDGET VS ACTUAL



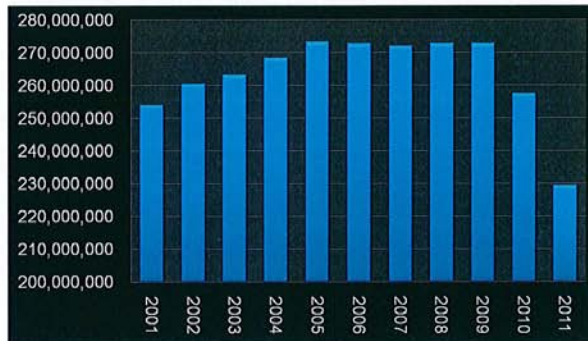
At a \$3.750 Billion Base, what will one penny generate?

Collection Rate	Revenue
96.00%	360,000
96.25%	360,938
<u>96.50%</u>	<u>361,875</u>
96.75%	362,813
97.00%	363,750
97.25%	364,688
97.50%	365,625
97.75%	366,563
98.00%	367,500

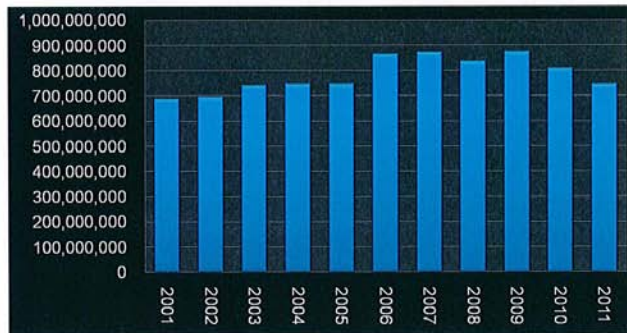
VALUE CHANGES-REAL



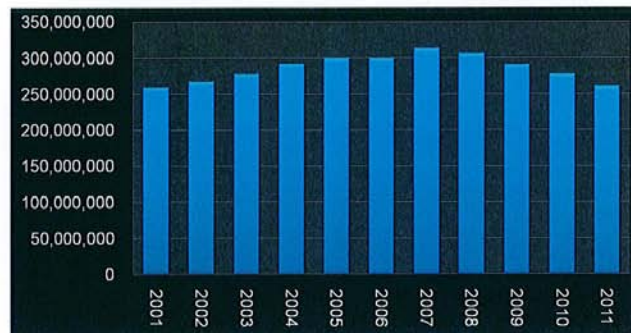
VALUE CHANGES-EQUIPMENT



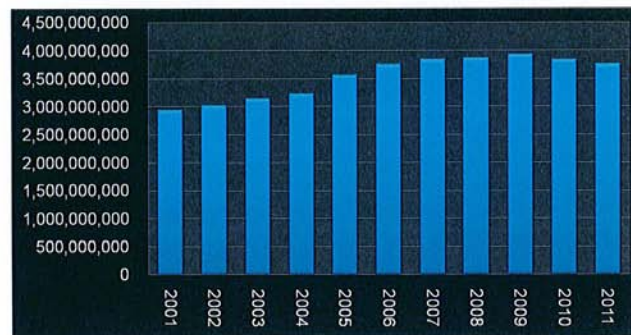
VALUE CHANGES-STATE



VALUE CHANGES-RMV



VALUE CHANGES-ALL



Mr. Jones confirmed the pending legislative action from 2009 that incorporates the ability to collect taxes when tags are received for a vehicle has been delayed until 2013.

Mr. Jones told the Board revaluation is scheduled to be done in 2012 but noted the 2005 values are still on target. Mr. Jones stated he would be recommending the Board to delay revaluation to 2013 at the Board's next meeting. Mr. Jones noted state law would mandate revaluation to be done in 2013 (8th year). Mr. Jones confirmed the current tax rate (.70) has been the same the last four years. The collection rate of 96.50% equates to \$26,209,400 tax levy collected. Mr. Jones stated the cost of revaluation would be approximately \$350,000 to \$400,000 funded over two years. Mr. Jones stated he currently has three staff dedicated to revaluation duties as well as duties related to new construction and land-use. During the revaluation process a contract agency is acquired on a per day basis.

The Board took a break at 10:19 a.m. and reconvened at 10:30 a.m.

CAPITAL IMPROVEMENT PLAN:

Finance Director, Amy Wehrenberg reviewed with the Board the adopted Capital Improvement Plan 2011-2015.

Person County
Capital Improvement Plan (CIP)
A blueprint for capital planning



1

What is a CIP?



- A blueprint for planning the community's capital expenditures
- Composed of two parts: a capital budget and a capital program
- Requires annual changes and re-prioritizing—a work in progress!

2

Why are we talking about capital projects during a recession?

- Stimulates economy on all levels
- Facilitates coordination between capital needs and operating budgets
- Enhances credit rating, control of tax rate, and avoids sudden changes in debt service requirements
- Identifies most economical means of financing capital projects
- Focuses attention on County's objectives and fiscal capacity
- Prevents higher costs for aging projects such as roofing



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How can we pay for it?



- Set aside costs and spread out over time
- Pay as you go
- General Obligation Bonds
- Installment Financing
- State and Federal grant opportunities

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Approved CIP Items – Current Year		
PROJECT NAME	DEPARTMENT/ FUNDING SOURCE	ESTIMATED PROJECT COST
FY 2011		
Courthouse Renovations	Public Buildings/Financed	3,326,000
New roof-Library	Public Buildings/Financed	239,000
New roof-Person Counseling Center	Public Buildings/Financed	68,000
New roof-Northern Middle School	Public Schools/Financed	1,332,000
New roof-portion of Earl Bradsher	Public Schools/Financed	158,000
New roof-Buildings F & G	PCC/Financed	273,000
Issuance Costs	Public Buildings/Cap Res Fd	50,000
EMS diesel fuel tank	Public Buildings/Cap Res Fd	60,000
Rec Center/Senior Center Engineer Fees	Rec, Arts & Parks/Cap Res Fd	53,000
Helena gym-upgrade restrooms	Rec, Arts & Parks/Cap Res Fd	53,000
Northwoods Electronic Document Mgt System	DSS/Cap Res Fd	352,178
HVAC control system upgrade - Oak Lane Elem	Public Schools/Cap Res Fd	71,000
Transfer to Debt Service: Courthouse Renov & Roofing Project	County, PCC & Schools/Cap Res Fd	1,145,000

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Status of Current Projects			
Project Title	Total Budget	Cost to Date	Status
Hot Water repair	110,000	68,896	Completed
Renovation of Cardiac Unit	50,000	50,000	Completed
Transfer to Debt Service	1,125,000	1,125,000	Completed
Exterior wall waterproofing-PHS	60,000	59,718	Completed
Fire alarm system-PHS	200,000	187,401	Completed
Courthouse Renov & Roofing	4,500,000	2,051,270	Not completed
Contingency-CH Renov & Roofing	100,000	-	Not completed
Northwoods Software - DSS	352,178	192,505	Not completed
EMS Diesel Tank Replacement	60,000	-	Receiving bids
Helena Gym-Restroom Upgrades	53,000	-	Just started
HVAC upgrade-Oak Lane Elem	71,000	-	Not started
Rec/Sr Center Facility Study	53,000	-	On hold

■ Cost Savings to Date: \$54,000

■ Estimated Amount available for CIP in FY12 from Cap Res Fund: \$959,000

■ Estimated Amount from FBA needed for projects in FY12: \$891,000

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Ms. Wehrenberg stated a correction on the slide outlining Approved CIP Items – Current Year that the funding source for the Issuance Costs should be listed as Financing and not Capital Reserve Fund.

January 31, 2011

General Services Director, Ray Foushee updated the Board on existing 2010-2011 projects as well as discussed the Capital Improvement Plan Requests for 2011-2012 including a) Roof Survey and b) Energy Project for the Person County Office Building and Library.

2010 - 2011 Project Status

Project	Budget	Bid	Cost to Date	Status
Slope Drain Repairs at Airport	65,409.00	65,409.00	49,509.00	complete
Hot Water Recirculation at LEC	110,000.00	75,587.00	69,955.00	complete
GMH Waterline Extension		1,512,000.00	1,094,465.00	92%
Courthouse Renovation		2,483,256.00	1,407,452.00	4th floor complete 40%
Piedmont Community College Roof F&G		253,060.00	39,223.00	40%
Northern Middle School Roof		732,424.00	500,735.00	55%
Library Roof				98%
Earl Bradsher Roof				99%
Counsel Center Roof		331,000.00	266,970.00	0%
Theresa Church Waterline Extension	100,000.00	88,650.00	-	50%
Roxboro Christian Academy Sewer Extension	25,000.00	33,900.00	-	0%
EMS Diesel Tank Removal & Installation	60,000.00	15,000.00	-	0%

CIP Budgets

Facility	Sector	Fiscal Year				
		2012	2013	2014	2015	2016
Airport Pump House	A	\$ 20,880.00	\$ -	\$ -	\$ -	\$ -
Early Intervention	A	\$ -	\$ -	\$ 12,273.81	\$ -	\$ -
Early Intervention	B	\$ -	\$ -	\$ 131,155.95	\$ -	\$ -
Early Intervention	C	\$ -	\$ -	\$ 16,274.56	\$ -	\$ -
Early Intervention	D (canopy)	\$ -	\$ -	\$ -	\$ -	\$ -
Early Intervention	E	\$ 835.20	\$ -	\$ -	\$ -	\$ -
Early Intervention	F	\$ 835.20	\$ -	\$ -	\$ -	\$ -
Early Intervention	G	\$ -	\$ -	\$ -	\$ -	\$ -
Early Intervention	H	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ 1,670.40	\$ -	\$ 159,704.31	\$ -	\$ -
Emergency Medical Services	A	\$ -	\$ -	\$ 52,371.86	\$ -	\$ -
Emergency Medical Services	B	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency Medical Services	C	\$ -	\$ -	\$ 16,576.28	\$ -	\$ -
Subtotal		\$ -	\$ -	\$ 68,948.14	\$ -	\$ -
Huck Sansbury Complex	A	\$ 16,025.40	\$ -	\$ -	\$ -	\$ -
Huck Sansbury Complex	B	\$ 58,098.60	\$ -	\$ -	\$ -	\$ -
Huck Sansbury Complex	C	\$ -	\$ -	\$ 16,129.74	\$ -	\$ -
Huck Sansbury Complex	D	\$ -	\$ -	\$ 6,842.92	\$ -	\$ -
Huck Sansbury Complex	E	\$ 852.60	\$ -	\$ -	\$ -	\$ -
Huck Sansbury Complex	F	\$ 130,500.00	\$ -	\$ -	\$ -	\$ -
Huck Sansbury Complex	Canopy 1	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ 205,476.60	\$ -	\$ 22,972.66	\$ -	\$ -
Huck Sansbury Annex	A	\$ -	\$ -	\$ -	\$ -	\$ -
Huck Sansbury Annex	B	\$ -	\$ -	\$ 16,256.46	\$ -	\$ -
Huck Sansbury Annex	C	\$ -	\$ -	\$ -	\$ -	\$ -
Huck Sansbury Annex	D	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ -	\$ 16,256.46	\$ -	\$ -



CIP Budgets

Facility	Sector	Fiscal Year				
		2012	2013	2014	2015	2016
Kirby Complex	A	\$ -	\$ -	\$ 151,823.49	\$ -	\$ -
Kirby Complex	A1	\$ -	\$ -	\$ 16,727.14	\$ -	\$ -
Kirby Complex	A2	\$ -	\$ -	\$ 2,099.94	\$ -	\$ -
Kirby Complex	B	\$ -	\$ -	\$ 100,193.85	\$ -	\$ -
Kirby Complex	C	\$ -	\$ -	\$ 32,150.86	\$ -	\$ -
Kirby Complex	D	\$ -	\$ -	\$ 30,147.46	\$ -	\$ -
Kirby Complex	E	\$ 16,773.60	\$ -	\$ -	\$ -	\$ -
Kirby Complex	F	\$ 15,590.40	\$ -	\$ 10,910.05	\$ -	\$ -
Kirby Complex	G	\$ -	\$ -	\$ 4,224.02	\$ -	\$ -
Kirby Complex	H	\$ -	\$ -	\$ -	\$ -	\$ -
Kirby Complex		\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ 32,364.00	\$ -	\$ 348,276.81	\$ -	\$ -
Northend Elementary School	A	\$ -	\$ -	\$ -	\$ 22,859.69	\$ -
Northend Elementary School	B	\$ -	\$ -	\$ -	\$ 156,675.69	\$ -
Northend Elementary School	C	\$ -	\$ -	\$ -	\$ -	\$ -
Northend Elementary School	D	\$ -	\$ -	\$ -	\$ -	\$ -
Northend Elementary School	E	\$ -	\$ -	\$ -	\$ -	\$ -
Northend Elementary School	F	\$ -	\$ 119,000.34	\$ -	\$ -	\$ -
Northend Elementary School	G	\$ -	\$ 250,388.78	\$ -	\$ -	\$ -
Northend Elementary School	H	\$ -	\$ 26,036.32	\$ -	\$ -	\$ -
Northend Elementary School	I	\$ -	\$ 97,401.02	\$ -	\$ -	\$ -
Northend Elementary School	J	\$ -	\$ 16,860.60	\$ -	\$ -	\$ -
Northend Elementary School	Canopy 1	\$ -	\$ -	\$ -	\$ -	\$ -
Northend Elementary School	Canopy 2	\$ -	\$ -	\$ -	\$ -	\$ -
Northend Elementary School	Canopy 3	\$ -	\$ -	\$ -	\$ -	\$ -
Northend Elementary School	Canopy 4	\$ -	\$ -	\$ -	\$ -	\$ -
Northend Elementary School	Canopy 5	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 509,687.06	\$ -	\$ 179,535.38	\$ -



CIP Budgets

Facility	Sector	Fiscal Year				
		2012	2013	2014	2015	2016
Olive Hill Gym	A	\$ 96,430.80	\$ -	\$ -	\$ -	\$ -
Olive Hill Gym	B	\$ 1,792.20	\$ -	\$ -	\$ -	\$ -
Olive Hill Gym	C	\$ 19,957.80	\$ -	\$ -	\$ -	\$ -
Olive Hill Gym	D	\$ 1,722.60	\$ -	\$ -	\$ -	\$ -
Olive Hill Gym	Canopy 1	\$ -	\$ -	\$ -	\$ -	\$ -
Olive Hill Gym	Canopy 2	\$ -	\$ 4,543.49	\$ -	\$ -	\$ -
Olive Hill Gym	Picnic shelter	\$ -	\$ -	\$ -	\$ -	\$ -
Olive Hill Gym	Concessions	\$ 13,241.40	\$ -	\$ -	\$ -	\$ -
Olive Hill Gym	Press Box	\$ -	\$ 479.20	\$ -	\$ -	\$ -
Subtotal		\$ 133,144.80	\$ 5,022.68	\$ -	\$ -	\$ -
Person County Learning Academy	A	\$ 49,798.80	\$ -	\$ -	\$ -	\$ -
Person County Learning Academy	B	\$ 835.20	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ 50,634.00	\$ -	\$ -	\$ -	\$ -
Person County Office Building	A	\$ -	\$ 94,188.64	\$ -	\$ -	\$ -
Person County Office Building	B	\$ -	\$ 106,860.71	\$ -	\$ -	\$ -
Person County Office Building	C	\$ -	\$ 68,755.75	\$ -	\$ -	\$ -
Person County Office Building	D	\$ -	\$ 92,378.34	\$ -	\$ -	\$ -
Person County Office Building	E	\$ -	\$ 1,970.03	\$ -	\$ -	\$ -
Person County Office Building	Canopy 1	\$ -	\$ -	\$ -	\$ -	\$ -
Person County Office Building	Canopy 2	\$ -	\$ -	\$ -	\$ -	\$ -
Person County Office Building	Canopy 3	\$ -	\$ -	\$ -	\$ -	\$ -
Person County Office Building	Canopy 4	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 364,153.46	\$ -	\$ -	\$ -



CIP Budgets

Facility	Sector	Fiscal Year				
		2012	2013	2014	2015	2016
Person County High School	A	\$ -	\$ -	\$ 257,170.65	\$ -	\$ -
Person County High School	B	\$ -	\$ -	\$ 85,645.10	\$ -	\$ -
Person County High School	C	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	D	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	E1	\$ -	\$ -	\$ 198,136.90	\$ -	\$ -
Person County High School	E2	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	E3	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	E4	\$ -	\$ -	\$ 28,150.10	\$ -	\$ -
Person County High School	F	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	G1	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	G2	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	G3	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	H1	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	H2	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	H3	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	I	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	J	\$ -	\$ -	\$ 95,746.56	\$ -	\$ -
Person County High School	K	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	L	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	M	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	N	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	O	\$ -	\$ -	\$ 140,822.93	\$ -	\$ -
Person County High School	P	\$ -	\$ -	\$ 60,681.12	\$ -	\$ -
Person County High School	Q	\$ 47,067.00	\$ -	\$ -	\$ -	\$ -
Person County High School	R1	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	R2	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	S	\$ -	\$ -	\$ 207,713.36	\$ -	\$ -
Person County High School	T	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	U	\$ -	\$ -	\$ 19,044.31	\$ -	\$ -
Person County High School	V	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	W	\$ -	\$ -	\$ -	\$ -	\$ -
Ticket Booth 1		\$ -	\$ -	\$ 181.03	\$ -	\$ -
Ticket Booth 2		\$ -	\$ -	\$ 181.03	\$ -	\$ -
Field House 1		\$ -	\$ -	\$ -	\$ -	\$ -



CIP Budgets

Facility	Sector	Fiscal Year				
		2012	2013	2014	2015	2016
Person County High School	Field House 2	\$ -	\$ -	\$ 4,236.09	\$ -	\$ -
Person County High School	Dugout 1	\$ -	\$ -	\$ 1,550.82	\$ -	\$ -
Person County High School	Dugout 2	\$ -	\$ -	\$ 1,550.82	\$ -	\$ -
Person County High School	Dugout 3	\$ -	\$ -	\$ 2,027.53	\$ -	\$ -
Person County High School	Dugout 4	\$ -	\$ -	\$ 2,027.53	\$ -	\$ -
Person County High School	Weightroom	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	Bath House	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	Mobile 1	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	Mobile 2	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	Mobile 3	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	Mobile 4	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	Mobile 5	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	Mobile 6	\$ -	\$ -	\$ -	\$ -	\$ -
Person County High School	Mobile 6	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ 47,067.00	\$ -	\$ 1,104,865.89	\$ -	\$ -
Piedmont Community College	A1	\$ 5,950.80	\$ -	\$ -	\$ -	\$ -
Piedmont Community College	A2	\$ 144,594.00	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ 150,544.80	\$ -	\$ -	\$ -	\$ -
Piedmont Community College	D1	\$ -	\$ -	\$ -	\$ 84,625.18	\$ -
Piedmont Community College	D2	\$ -	\$ -	\$ -	\$ 51,332.75	\$ -
Piedmont Community College	D3	\$ -	\$ -	\$ -	\$ 23,358.25	\$ -
Subtotal		\$ -	\$ -	\$ -	\$ 159,316.19	\$ -
Piedmont Community College	I	\$ 201,840.00	\$ -	\$ -	\$ -	\$ -
Piedmont Community College	J	\$ 12,464.20	\$ -	\$ -	\$ -	\$ -
Piedmont Community College	L	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ 214,304.20	\$ -	\$ -	\$ -	\$ -



CIP Budgets

Facility	Sector	Fiscal Year			
		2012	2013	2014	2015
Southern Middle School	A	\$ -	\$ -	\$ -	\$ -
Southern Middle School	B	\$ -	\$ -	\$ -	\$ -
Southern Middle School	C	\$ -	\$ -	\$ -	\$ -
Southern Middle School	D	\$ -	\$ -	\$ -	\$ -
Southern Middle School	E	\$ -	\$ -	\$ -	\$ -
Southern Middle School	F	\$ -	\$ -	\$ -	\$ -
Southern Middle School	G	\$ -	\$ -	\$ -	\$ -
Southern Middle School	H	\$ -	\$ -	\$ -	\$ -
Southern Middle School	I	\$ -	\$ -	\$ -	\$ -
Southern Middle School	J	\$ -	\$ -	\$ -	\$ -
Southern Middle School	K	\$ -	\$ -	\$ -	\$ -
Southern Middle School	L	\$ -	\$ -	\$ -	\$ -
Southern Middle School	M	\$ -	\$ -	\$ -	\$ -
Southern Middle School	N	\$ -	\$ -	\$ -	\$ -
Southern Middle School	O	\$ -	\$ -	\$ -	\$ -
Southern Middle School	P	\$ -	\$ -	\$ -	\$ -
Southern Middle School	Q	\$ -	\$ -	\$ -	\$ -
Southern Middle School	Canopy 1	\$ -	\$ -	\$ -	\$ -
Southern Middle School	Canopy 2	\$ -	\$ -	\$ -	\$ -
Southern Middle School	Canopy 3	\$ -	\$ -	\$ -	\$ -
Southern Middle School	Canopy 4	\$ -	\$ -	\$ -	\$ -
Southern Middle School	Storage	\$ -	\$ -	\$ -	\$ -
Southern Middle School	Restroom	\$ -	\$ -	\$ -	\$ -
Southern Middle School	Dugout 1	\$ -	\$ -	\$ -	\$ -
Southern Middle School	Dugout 2	\$ -	\$ -	\$ -	\$ -
Southern Middle School	Booth	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ 20,723.40	\$ -	\$ -	\$ -
Totals		\$ 876,809.20	\$ 878,863.21	\$ 1,721,024.27	\$ 1,867,053.49

1/31/2011



**SEO ARRA Grant
Project Cost Breakdown**

Person County Office Building

<u>Products</u>	<u>Leverage (Not SEO)</u>	<u>SEO</u>	<u>Total</u>
T-12 Lamps	\$9,192	\$53,261	\$62,453
Vending Machines	\$0	\$0	\$0
Exit Lights	\$350	\$70	\$420
Outside Lights	\$0	\$20	\$20
Sensor Controls	\$1,330	\$1,399	\$2,729
Programmable Thermostats	\$0	\$900	\$900
Air Handlers	\$0	\$7,200	\$7,200
- Engineering Fees	\$20,000	\$0	\$20,000
- Ceiling Repairs	\$7,500	\$0	\$7,500
Total Office Building Cost	\$38,372	\$62,850	\$101,222

Person County Library

<u>Products</u>	<u>Leverage (Not SEO)</u>	<u>SEO</u>	<u>Total</u>
T-12 Lamps	\$3,684	\$25,091	\$28,775
Exit Lights	\$150	\$30	\$180
Outside Lights	\$0	\$8	\$8
Sensor Controls	\$336	\$14	\$350
Programmable Thermostats	\$0	\$750	\$750
Air Handlers	\$0	\$900	\$900
- Engineering Fees	\$15,000	\$0	\$15,000
- Ceiling Repairs	\$27,200	\$0	\$27,200
Total Library Cost	\$46,370	\$26,793	\$73,163

Total Project Costs	\$84,742	\$89,643	\$174,385
----------------------------	-----------------	-----------------	------------------

Person County Hours (to be used for reporting contributions but not counted in the total project cost)

<u>Products</u>	<u>Leverage (Non SEO)</u>	<u>SEO</u>	<u>Total</u>
In-Kind Hours (@ 20 per hour)	\$5,000	\$0	\$5,000

County \$ Contribution = \$ 69,700
County Staff Time = \$5,000
Progress Energy = \$ 15,042

January 31, 2011

Mr. Foushee told the Board that Mr. Larry King of Person County Schools and Mr. Bruce Chisholm of Piedmont Community College participated and agreed with the Roofing Study results.

Commissioner Kennington asked the following questions be researched with answers returned to the Board:

- a) Condition of the old Helena School facility,
- b) Total number of roofs, and
- c) Number of county facilities not being used.

Mr. Foushee and Ms. Wehrenberg spoke of the importance of Board consideration and action due to the timelines imposed by the Energy Efficiency Grant. It was agreed by the Board to have Energy Efficiency Grant on the next Board agenda scheduled for February 7, 2011.

Ms. Wehrenberg continued the CIP presentation as follows. Commissioner Kennington asked which Person County School facilities were the window replacements being requested. Ms. York stated she would include these facilities in her retreat summary.

Requested CIP Projects



County Requests:

- Energy Project for PCOB and Library \$174K (Co. Match of \$70K required) → Requires decision for funding in current year. Construction to be completed by December 31, 2011.
- Roofing: Kirby, Olive Hill Gym, Airport Pump Bldg, PCOB, EMS & Huck Sansbury Gym (Note: All proposed roofing pending results from Roofing Study)
- Replace Cardiac Monitors at EMS \$190K (Yr. 1)
- Multi-Jurisdictional Industrial Park \$200K (Yrs. 1 & 2)
- Painting at LEC Detention Center \$52K
- Replace carpet & tile in PCOB \$200K/floor
- Pave driveways and parking lots \$125K
- Recreation, Arts & Parks: Playground improvements, Restroom construction, Solar lights on tracks, Outdoor bball courts, Track repaving, Rec & Sr Center, Renovate old landfill into park space, relocation of office to annex bldg, renovate 2nd floor of Kirby, & Helena Park expansion

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Requested CIP Projects (cont.)

School Requests:

- PHS Classroom Conversion \$80K (Yr. 1)
- More PHS exterior waterproofing \$250K (Yr. 1)
- PHS & SMS: Replace running tracks \$200K
- PHS and South Elem: Paving parking lots \$125K
- Roofing: SMS, N. End, EIFS, & PHS portion
- Window Replacements at 7 facilities (avg. \$500K/ea.)
- PHS Stadium restrooms & seating \$500K
- Earl Bradsher floor tile replacement \$250K
- Maintenance facility \$1.5M
- PHS Chiller replacement \$285K



8

Requested CIP Projects (cont.)

PCC Requests:

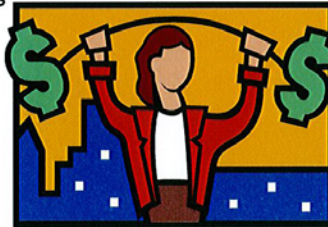
- Roofing: Bldg A (Yr. 1) & I
- New Telephone System (Voice Over IP): \$52K
- Repave and expand parking lot #4: \$100K
- Infrastructure for Future Expansion: \$840K
- New Allied Health Building and Renovations: \$10.5M (asking for \$1M from Person County)



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CIP Schedule

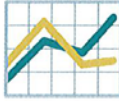
- Friday/Jan 7: Distribute CIP Requests to Depts
- Friday/Jan 21: CIP Requests due to Finance
- Monday/Mar 21: CIP Recommendations to Board
- Monday/Apr 18: Board adopts CIP



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BUDGET SNAPSHOT:

Ms. Wehrenberg presented to the Board the mid-year budget update.



Person County

Mid-Year Budget Impacts

2011 Person County Board of Commissioners Retreat
January 31, 2011

Amy Wehrenberg
Finance Director

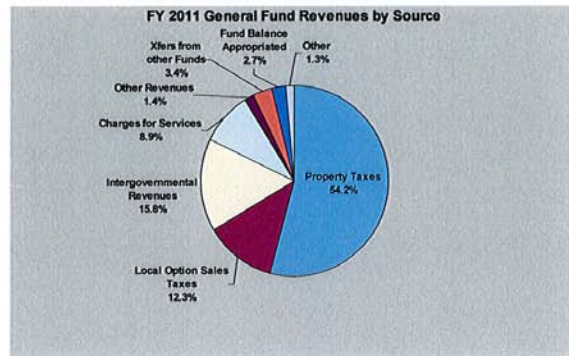


The Here and Now

- FY 2011 Adopted Budget by Function for Revenues & Expenditures
- Adopted Expenditure Budget by Type
- Year to Date comparisons for prior & current year
- Sales and Use Tax Distribution
- Unemployment
- Mid-Year Highlights

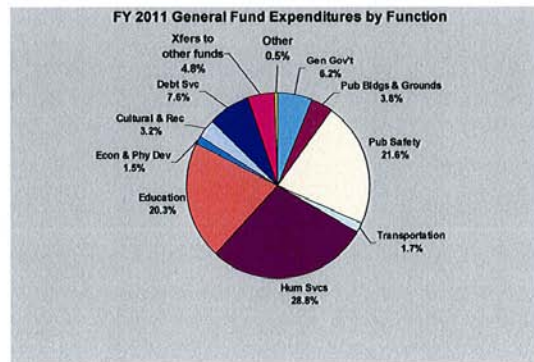
2

Current Year Adopted Revenues



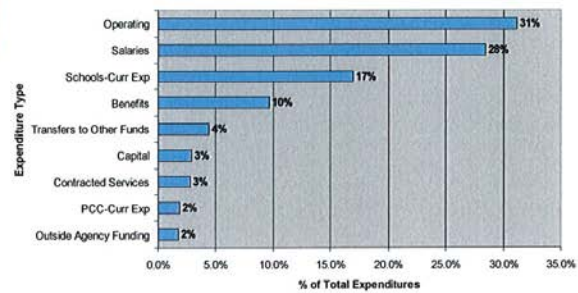
3

Current Year Adopted Expenditures



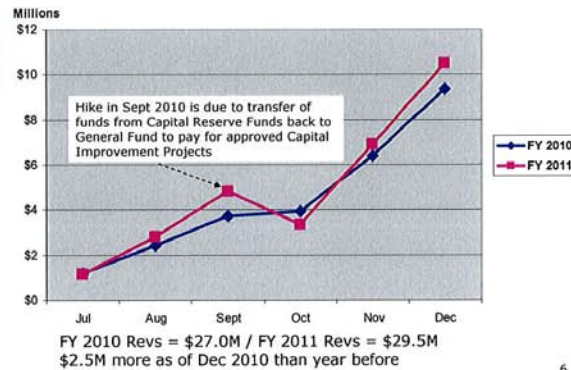
4

FY 2011 Adopted Expenditure Budget – Where does the money go?



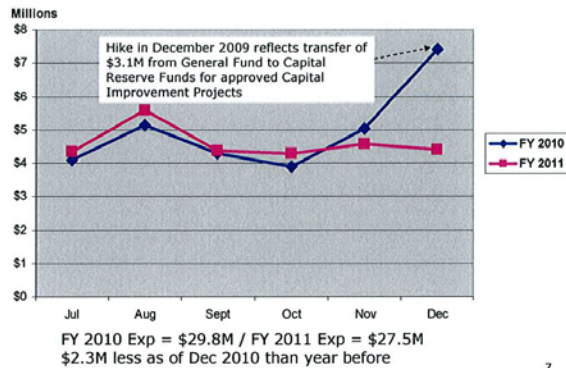
5

Revenues – FY 2010 & 2011 YTD Comparison (Jul thru Dec)



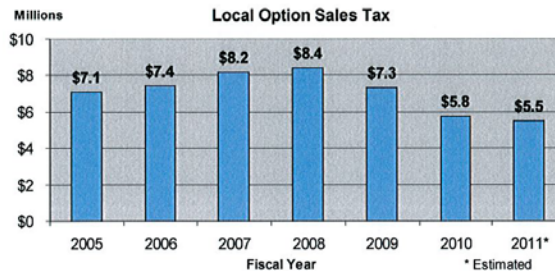
6

Expenditures – FY 2010 & 2011 YTD Comparison (Jul thru Dec)



7

Sales and Use Tax Revenues - Prior and Projected



State-wide sales tax has not recovered as quickly as the State had anticipated. That has proven to be the case for Person County as well. The year to date January collections for November was 4.8% below budget. There are indications at the State level that December's sales tax may be up by 6% from last year. However, unless it continues to show growth after December, we estimate that Person County will receive \$5.5M for FY 2011, a 5% reduction from FY 2010.

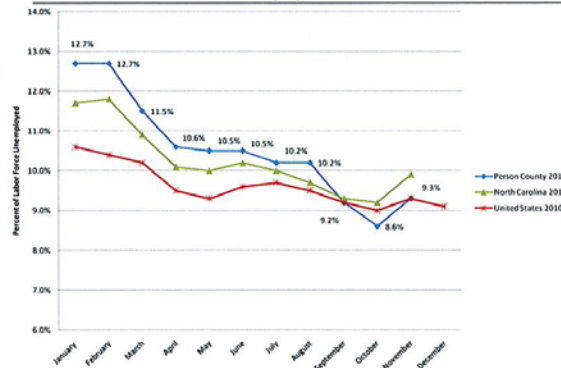
Unemployment

- Local results – Signs of growth?
- Expansions in local industries
- Comparative trends
- Person County's unemployment rate is 9.3% for Nov'10

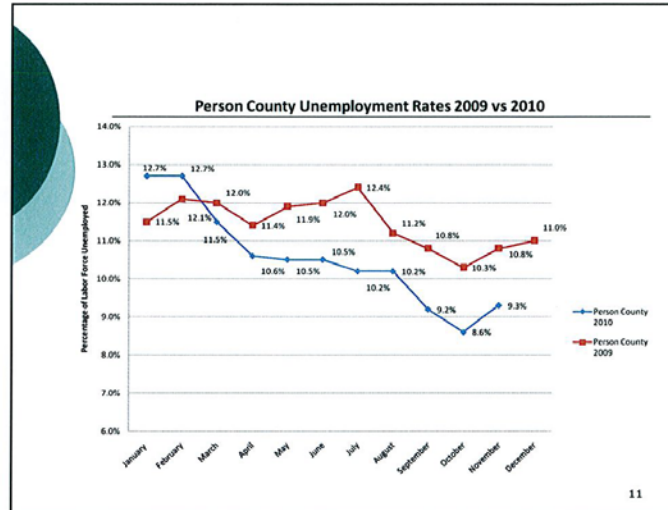


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2010 Unemployment Rates



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Mid-Year Highlights

The Good, the Bad, and the Ugly

THE GOOD

- Reduction in Unemployment rate and costs: \$31K
- Property tax collections - level with last year
- Stronger fee collections
- Cost savings of \$54K to date for CIP projects
- Transfer of \$1.1M to General Fund to cover next three years of future Courthouse and Roofing Debt
- Market salary adjustments: cost estimated to be \$20K less than budget



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Mid-Year Highlights

The Good, the Bad, and the Ugly (cont.)

THE BAD

- Weak revenues received for Environmental Health Fees
- Strained part-time and vehicle maintenance costs in Public Safety departments
- Rising fuel costs
- Technology needs increase



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Mid-Year Highlights

The Good, the Bad, and the Ugly (cont.)

THE UGLY

- Sales Tax
- E911 Telephone Fund reform impacts
- Hiring Freeze!
- More State Cuts likely



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Ms. Wehrenberg stated the Build America Bonds/stimulus funding also ended December 31, 2010. Commissioner Kennington requested for staff to provide peer county information as provided for current year adopted revenues and expenditures for comparison. Ms. York commented many variables would be included for such information for comparison.

January 31, 2011

Ms. York updated the group on the following upcoming Budget Challenges:

Upcoming Budget Challenges

Property Tax Valuation Loss (-\$130B)	(878,150)
Fund Bal. used for operating	(338,820)
Sales Tax Revenues	(635,000)
Reduced Capital Reserve Fund (PMH)	(50,000)
Transferred from Emerg Telephone Fund (one time)	(256,402)
Env. Health Fees down	(35,000)
Court Facility Fees down	(20,000)
Inc. in transfers from GF to other funds (reval, debt, dss, health)	1,214,446
Merit/Performance Pay System	440,000
Debt Service Increase	162,395
MAPS increases	160,000
Revaluation work	150,000
Employer's Retirement Contrib. (+.53%)	80,349
Council on Aging/Kerr Tar COG	50,000
TOTAL (not all items shown)	(\$4,861,227) (13.43) cents

Ms. York stated the average county employee salary is \$36,000 plus benefits totaling approximately \$46,000.

Budget Snapshot: Upcoming Budget Challenges		
Upcoming budget challenges (adjustments from FY10-11 adopted budget):		
Revenues:		
Property Tax	(878,150)	loss of \$130B in valuation
Fund Balance used for 10-11 budget (General Fund 10)	(338,820)	GF, Health, & DSS
Sales Tax Revenues	(635,000)	assuming flat sales from Dec. thru June as compared with 09-10
Transfer from Emg Teleph Sys	(256,402)	pending E911 changes
Transfer from Cap Resrv Fd for CIP	(50,000)	was for hospital cardiac unit
Environmental Health Fees	(35,000)	not a lot of activity, may need to do a fee study
Loss of Emerg Mgt training grant	(30,750)	EM training grant no longer available
Occupancy Tax	(25,000)	transfer out to TDA, no net loss to County
Court Facility Fees	(20,000)	trending low compared to last year
Other misc revenue adjustments	(11,800)	
Officer Fees	(10,000)	trending low compared to last year
Net Increase in Debt Svc Fd for xfer from GF for new debt	162,395	based on estimated loss in sales tax, inc in debt & BABs int credit
EMS Fees (current, past due and med reimb)	128,000	new software and staff, debt setoff is helping
Solid Waste Host Fees	60,000	stronger collections
Transf. from GF to Health for lower Env Health fee collections	35,000	xfer exp in GF to Health will go up
Inmate Reimb	10,000	State inmate sys overloaded, holding inmates longer
State revenue cuts	????	
	-\$1,895,527	Dec in Revs
Expenditures:		
Net increase in transfers to other funds (assuming no FBA)	1,214,446	new debt, dss, health fund, reval fund
Performance pay	440,000	
Increase in debt	162,395	
MAPS Increase (July 1, 2011)	160,000	includes salary and fringes
Revaluation implementation year	150,000	
Employer's Retirement Contribution (.53% inc as of 7/1/11)	80,349	2nd yr increase
Council On Aging	50,000	Add'l needed per Kerr Tar
Elections	8,500	Additional funds needed for elections one-stop location costs
Human Bldg Lease	7,743	increase in Human Bldg Lease (full 12 mos versus 11 mos)
Inspections	2,000	Rotation year for buying new code books
CIP	891,017	fba for items on current CIP plan
MAPS professional fees	(100,000)	No longer needed
Hospital capital	(50,000)	If 0 is budgeted for hospital
EM training grant no longer available	(30,750)	EM training grant no longer available
Unemployment	(20,000)	possible reduction unless RIF's considered
	\$2,965,700	Inc in Exp
Deficit between revs & exp--estimated	-\$4,861,227	
Equivalent to cents	13.43	
If approp \$1M in DSS & Health, % cut needed across board	12.07	
1% cut across the board	\$320,000	if you don't include PCS, this would be much less (1% of PCS is \$91K)
5% cut across the board	\$1,600,000	
1 cent of property tax	\$361,875	

Ms. York noted departments will be asked to identify cuts excluding grant funded programs/staff.

The group took a lunch break at 12:11 p.m. and reconvened meeting at 12:30 p.m.

January 31, 2011

FORECASTING THE STATE'S IMPACTS ON COUNTIES:

County Manager, Heidi York introduced Ms. Rebecca Troutman, Intergovernmental Relations Director of North Carolina Association of County Commissioners to update the group on the State Budget.

1/31/2011

Person County Board of Commissioners NCACC Government Relations Update

Person County Board of County Commissioners
N.C. Association of County Commissioners
Government Relations Update




January 31, 2011
Rebecca Troutman, NCACC IGR Director



State Budget in Brief (S897)

- General Fund budget = \$18.9 billion
- 2nd year of biennium
- Normal budget = \$22 billion
- 2nd year reduced by \$600 million
- 3rd year of budget cuts
- 2nd yr revenues reduced
 - Growth reduced from 3.3% to 2.7%
- Historical = 6%
 - Sales tax reduced to 1.5%
- Historical = 5%
- Post-recessionary = 7-8%
 - County reductions 14% since 2008



Rebecca Troutman, NCACC

January 31, 2011

**Person County Board of Commissioners
NCACC Government Relations Update**

**Resulting County Impacts over
Biennium**

- 2009-10 state budget cuts exceed \$200 mil
- ¼ billion in school capital dollars in biennium cuts
 - Loss of ADM, lottery
- Other cuts in criminal justice, health and human services, state grants



County Budget Woes Continue

- NCACC Budget & Tax Survey documents continued budget cuts & tax increases
 - Only source of **county budget** snapshot
- 16 counties increase tax rate
 - Avg. of 3.3 cents
- 49 counties, of 97, cut budgets (again)



Rebecca Troutman, NCACC

Person County Board of Commissioners NCACC Government Relations Update

County Revenue Challenges Continue

- 25 counties, of 97 counties reporting, see decreased property valuations
- 31 of 100 counties see assessed value above market value
 - Unprecedented in 20+ years of calculating market to av ratio
- 2009-10 sales taxes nearly 5% below 2008-09
 - 2008-09 10% off 2007-08
 - Seeing slight gains in 2010-11



County Personnel Cuts Continue

- 45 counties report hiring freeze
- 44 counties cut positions
 - 1000+ fewer positions, on top of 2009-10 cuts of 1000
- 14 counties laid off existing employees
 - 595 county workers lose jobs
- 7 counties implement mandatory furloughs
- Other actions include salary decreases, fewer paid holidays, decreased/stopped 401k



Rebecca Troutman, NCACC

1/31/2011

Person County Board of Commissioners NCACC Government Relations Update

Fund Balance Challenges Continue

- 50 counties rely on fund balance to help offset budget deficit
 - \$105 mil used
- 20 counties use fund balance to replace lottery funds
 - 62 counties report using some or all of lottery funds for school debt service



Ethics (H961)

New disclosure requirements (Sec. 17.(e)):

- Date & amount of each increase or decrease in salary
- Date & type of each promotion, demotion, transfer, suspension, separation or other change in position classification
- Date & general description of reasons for each promotion
- Date & type of each dismissal, suspension, or demotion for disciplinary reasons
 - If dismissal, a copy of written notice of county's final decision of the county setting forth specific acts or omissions that are basis of dismissal



Rebecca Troutman, NCACC

January 31, 2011

**Person County Board of Commissioners
NCACC Government Relations Update**

Ethics (H961)

So what does that mean?

- Each employee's complete employment history (promotions, transfers, salary adjustments, disciplinary actions such as suspension or demotion, etc.) a public record.
- Effective Oct. 2010



Ethics (H961)

- AG opinion declares legislation covers personnel records created prior to 10/1/10
 - Copy of written notice must be released, even though no name-clearing opportunity can cause "liberty" issues
- AG opinion declares legislation requires creation of public records
 - Written notice of reasons for dismissal where none existed before




Rebecca Troutman, NCACC

**Person County Board of Commissioners
NCACC Government Relations Update**

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Use of 911 Funds (H1691)


- Problem:
 - County 911 fund revenues limited to receipt of call equipment
 - State 911 board tilted to teleco providers
 - County emergency telephone reserves increase
- Solution
 - Expand use for dispatch within psap building
 - Reconfigure board to public/private equity
 - Allow 50% of reserves spent for any public safety need
 - What are you doing with yours?



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Use of 911 Funds (H1691)

- Directs state 911 board to set operating standards
 - Reserves to be used in part to meet standards
- Directs state 911 board to develop funding formula,
 - Workgroup devised 5 year rolling average based on actual costs
 - \$43 million needed v. \$63 million now distributed
 - Baseline allocation—psaps eligible for capital grants, additional funding if expenses exceed initial allocation




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**Person County Board of Commissioners
NCACC Government Relations Update**

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Retirement Issues


- Local Govt Employees Retirement System loses \$4.79 billion or 27% of value in 2008
 - Similar losses in state system & General Assembly doesn't fund req'd contributions
 - Employer rate increases from 4.8% of county payroll to 6.35% to 6.88% (projected)
 - 2011 represents a 32% increase or = \$36 million statewide for counties
 - Additional rate increases in future years are likely
 - Employee contribution of 6% stays same (for now)



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Retirement Issues

- State Treasurer Cowell appoints "Future of Retirement" Commission
 - Provide adequate retirement income at a reasonable retirement age after a reasonable period of employment, manage risk, encourage employee behavior, fund through appropriate mix of employer/employee, determine if apply to vested employees
 - Commission recommendations:
 - Offer at employee option defined benefits or defined contribution; default to db
 - Require age 55 to retire




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**Person County Board of Commissioners
NCACC Government Relations Update**

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PED DSS Study


- General Assembly management analyses staff—Program Evaluation Division directed to study county DSS
- Look at opportunities/barriers to consolidate DSS administrative functions
 - Survey all counties, visit selected counties
- May consider Wake/Meck model, health authority model
- We stress flexibility, simplification, automation
- Report to General Assembly 2/1/11



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2010-11 State Budget Status

- State meeting revenue targets through December
 - Growth in withholding & improvement in sales
 - Holiday retail up 6% yr to yr but still 13% below 2008
- Governor holds back 1% of agency appropriations in August; 2.5% in Dec.
 - Directs agencies to freeze hiring, curtail purchase orders, limit travel



Rebecca Troutman, NCACC

1/31/2011

Person County Board of Commissioners NCACC Government Relations Update

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New Majority Announces Leadership

- Senate
 - Phil Berger, Rockingham – President Pro Tem
 - Harry Brown, Onslow – Majority Leader
 - Tom Apodaca, Buncombe – Rules Chair
 - Richard Stevens, Wake, Pete Brunstetter, Forsyth, & Neal Hunt, Wake – Appropriations Chairs
 - Fletcher Hartsell, Cabarrus & Bob Rucho, Mecklenburg – Finance Chairs



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New Majority Announces Leadership

- House
 - Thom Tillis, Mecklenburg, Speaker
 - Paul Stam, Wake, Majority Leader
 - Dale Folwell, Forsyth, Speaker Pro Tem
 - Harold Brubaker, Randolph, Jeff Barnhart, Cabarrus, Linda Johnson, Cabarrus, & Mitch Gillespie, McDowell - Appropriations Chairs
 - Edgar Starnes, Caldwell, Mitchell Setzer, Catawba, & Julia Howard, Davie - Finance Chairs



Rebecca Troutman, NCACC


January 31, 2011

Person County Board of Commissioners NCACC Government Relations Update

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New Majority Announces 100 Day Plan

- Balance state budget without raising taxes
- Make tax rates competitive with other states
- Exempt NC from federal healthcare act
- Keep right to work laws
- Reduce regulatory burdens on small businesses
- Fund education in the classrooms
- Eliminate cap on charter schools
- Require photo ID to vote
- Pass eminent domain constitutional amendment
- End pay to play politics



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NCACC Legislative Goals

- Solicit goals in summer
- Steering committees examine & recommend in Sept.-Oct.
- Legislative goals committee recommends package to NCACC Board of Directors
- Board adopts & submits to county membership approval at Legislative Goals Conference in mid-winter




Rebecca Troutman, NCACC

**Person County Board of Commissioners
NCACC Government Relations Update**


Top 5 Goals Adopted by NCACC Membership

- Oppose shift of state transportation responsibilities to counties
- Reinstate Average Daily Membership funds (\$200M) & Lottery proceeds (\$63M) to the Public School Building Capital Fund
- Ensure adequate mental health funding
 - Adequate state-funded acute psych beds, oppose closure of existing beds, maintain existing MH community services funding
- Preserve the existing local revenue base
- Authorize local revenue options



County Legislative Hot Topics

<u>2010</u>	<u>2011</u>
• State Budget	• State Budget
• Use of 911 Funds	• Broadband
• Ethics & Campaign Reform <ul style="list-style-type: none">– Public Records	• Annexation
• ABC System Modernization	• ABC System Modernization
• Water bills	• Transportation
• Animal Control	• Public Records
• Collective Bargaining	• Moto-Tax
	• Regulatory Reform



Rebecca Troutman, NCACC

**Person County Board of Commissioners
NCACC Government Relations Update**

Process for 2011-12 State Budget

- 1st Year of Biennium
 - Spending authority ends June 30
- Governor proposes ► House starts leg. budget process & amends ► Senate amends ► House/Senate appoints conference committee
 - Governor requesting agencies to ID up to 15% in cuts
 - Anticipate budget mid, late Feb.
 - House & Senate vow to develop joint proposal



2011-12 State Budget

- Less revenue availability:
 - \$1.6 billion in stimulus funds
 - \$1.3 billion in 1% temporary sales tax & income tax surcharge
 - Other one-time items at \$200 million
- Additional spending pressures:
 - Medicaid
 - School enrollment
 - Employee benefits—health & retirement

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1/31/2011

**Person County Board of Commissioners
NCACC Government Relations Update**

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2011-12 State Budget


Revenue availability 2010-11	\$19.0 B
•1 cent sales tax expiring	\$1.1 B
•Personal/corporate income tax surcharge expiring	\$0.2 B
•Other 1-time availability	\$0.2 B
•Revenue growth estimate	\$0.7 B
Revenue availability 2011-12	\$18.2 B



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2011-12 State Budget

2010-11 budget	\$19.0 B
•ARRA expiring	\$1.6 B
•Other 1-time adjustments	\$0.4 B
•Retirement contribution	\$0.3 B
•Health plan contribution	\$0.2 B
•Enrollment growth	\$0.2 B
•Medicaid	\$0.2 B
2011-12 budget	\$21.9 B



Rebecca Troutman, NCACC

January 31, 2011

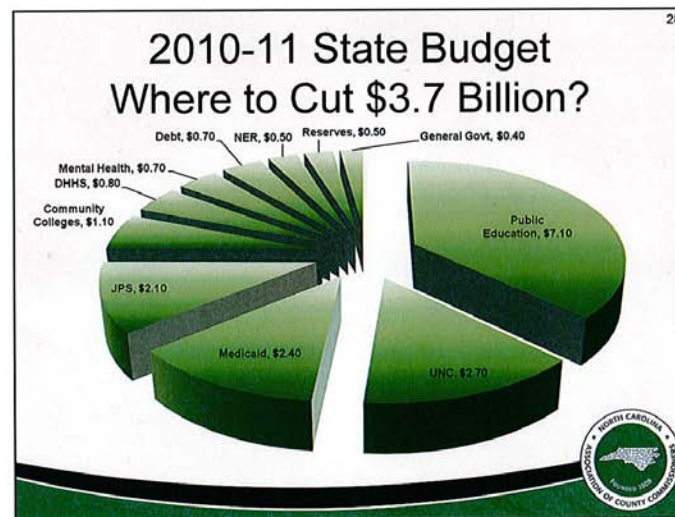

1/31/2011

**Person County Board of Commissioners
NCACC Government Relations Update**

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2011-12 State Budget

Revenue availability	\$18.2 B
Budget demands	<u>\$21.9 B</u>
Projected deficit	\$3.7 B



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January 31, 2011

**Person County Board of Commissioners
NCACC Government Relations Update**

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Department Suggestions


- DHHS
 - Shift \$2 - \$26 M in LME administration to counties
 - Cut \$21 - \$41 M in state mental health funding
 - Cut \$9 M in aging services
 - Cut \$9 - \$28 M in Smart Start
 - Eliminate school nurse funding
 - Reduce county administrative funding for day care, CPS, state aid to counties



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Department Suggestions

- DENR
 - Increase food and lodging fees
 - Close Rendezvous Mtn., Mt. Jefferson, Singletary Lake, Turnbull Creek
 - Close parks Tues. – Thurs.
 - Reduce ag. cost share program
 - Reduce water quality monitoring & services




Rebecca Troutman, NCACC

**Person County Board of Commissioners
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Department Suggestions


- Corrections
 - Eliminate misdemeanants' admissions to prisons
 - Shift to county jails?
 - Eliminate work & litter crews
- AoC
 - Implement new fee structure



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Fiscal Research Suggestions

- Public Education
 - Adjust class sizes
 - Eliminate optional spending—salary supplements & capital (lottery?)
 - Review non-instructional staff (teacher assts?)
- Medicaid
 - Eliminate or reduce optional services—drugs, dental, nursing facilities, non-DR services
 - Reduce payments



Rebecca Troutman, NCACC

**Person County Board of Commissioners
NCACC Government Relations Update**

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Fiscal Research Suggestions


- Corrections
 - Reform sentencing & probation—
misdemeanants, habitual felons
- Compensation & Benefits
 - Change retirement, health plans



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Silver Lining?

- Policy changes
- County restructuring of services
- County streamlining of programs, policies



Rebecca Troutman, NCACC

BUDGET BRAINSTORMING SESSION: DEFINING PRIORITIES:

County Manager, Heidi York led the Board in the Budget Brainstorming session.

Budget Brainstorming

Defining Priorities &
Implementing Strategies

**Priorities for the FY10-11
Budget**

- Economic Development-jobs, tax revenue
- No use of Fund Balance for recurring expenditures
- Continue performance evaluation and merit pay processes
- Public Safety
- Restore Furloughs
- Maintain same level of services

Priorities for Person County

- Protect Our Land
- Foster a Sense of Community
- Encourage Learning for Life and Lifelong Learning
- Re-Imagine Our County for a Better Future
- Prosper by Developing the New Economy Locally

County Services

Mandated:

- Social Services
- Public Health
- Mental Health
- Public Schools
- Solid Waste
- Sheriff-Jail
- Register of Deeds
- Board of Elections
- Court Space
- Emergency Medical Services

Optional:

- Library
- Recreation, Arts & Parks
- Transportation- PATS, Airport
- Cooperative Extension
- Soil & Water Conservation
- Internal: IT, HR, Mgr, Finance, Public Works
- Planning
- Inspections
- Economic Development
- Nonprofits & Person Industries
- Animal Control
- Veterans Services
- Fire Marshal & Vol. Fire Depts
- Hospital

Budget Reduction Strategies

- Across the Board cuts:
1% → \$320,000 5% → \$1,600,000
- Furloughs: ~\$64,000 per day
- Nonprofits: \$87,000
(COA, RACC, Roots & Wings, Museum, RDG)
- Restoring 401k by 2.5%: \$331,727
- Hiring Freeze
- RIFs: consider unemployment costs; 26 weeks on ¼ annual salary (\$36k avg total w/b's \$47k); ~\$9,000 per position or ~\$38k savings annually

Ms. York summarized that the Board's priorities for the FY 10-11 budget included maintaining county services at the same level, restoration of furlough days, hiring an Economic Development Director, realizing growth in county jobs, however noting the county fund balance was used to balance the budget and a capital reserve fund was not created for economic development. Ms. York challenged the Board to use the community goals set forth in the Strategic Plan as the guideline to implement its budget goals while realizing a new normal exists for service levels. The group noted contracting for services to run the Senior Center has already been agreed to for next fiscal year.

January 31, 2011

Assistant County Manager, Gene Hodges collected and presented Ideas from the Board as priorities for FY 11-12:

Ideas from the Board

- No fund balance to be used for operational or recurring expenses.
- Do not use fund balance to manage budget shortfall
- Non-profits; be selective and fair
- Cut all outside agencies besides VFD's, OPC, COA
- No tax increases

Ideas from the Board

- Continue hiring freeze for entire FY2011-12.
- Reinstate 5 furlough days for FY2011-12.
- Do not implement performance pay.
- Merit pay and performance pay-freeze.
- Pay freeze for a year at all levels.
- Lay-offs.
- Eliminate part-time employees.
- Offer employees that qualify to go part-time like the Manager.
- 401-K Reduction
- Ask for a 5-10% cut in every department.
- Implement an across the board % cut

Ideas from the Board

- Look at core services as opposed to non-mandated.
- Look at reducing Parks and Recreation.
- Create a Mayo Lake authority to run the Mayo Park. Get it out from County government.
- Look hard at Transportation-rising gas prices will be a big issue.

Ideas from the Board

- What can be contracted out that will truly save money? Would it cost us just as much to implement the contract.
- Consider changes to CIP only do repair work as needed.

Group discussed ensued related to all the Ideas from the Board. Commissioner Jeffers requested staff to provide a list of county owned property that may be put on the market for possible sale. Ms. York reminded the Board members that they each have copies of tax cards on all Person County owned property.

January 31, 2011

The Board took a break at 2:15 p.m. and reconvened at 2:30 p.m.

STRATEGIC BUDGETING: ALIGNING PRIORITIES WITH THE FY11-12 BUDGET:

Protect Our Land:

Chairman Clayton highlighted the following three priorities with the Strategic Plan goal to Protect Our Land:

- Voluntary Agricultural Districts
- Upper Neuse River Basin Association Rules
- Agriculture Cost Share Reduction Program

Foster a Sense of Community:

Commissioner Kennington stated 72% of the objectives within the Strategic Plan goal Foster a Sense of Community could be achieved with little to no costs. Commissioner Kennington requested objectives 18, 19, 2, 4, 5, 9, 10, 17, 20, 22, 23, 24 and 25 of the Strategic Plan be incorporated into county job descriptions for implementation. Commissioner Kennington highlighted the two higher costing unbudgeted objectives, noting the Board should review and make decisions regarding creating a Welcome Center as well as creating a Community Center for recreational and senior activities.

Encourage Learning for Life & Lifelong Learning:

Commissioner Blalock identified the following priorities in the Strategic Plan goal Encourage Learning for Life & Lifelong Learning:

- County owned facilities evaluation to maximize use of space and recycle facility use
- Create a Work Force Center
- Create an Allied Health Center
- Strengthen and support early childhood programs within DSS and Partnership for Children
- Create a Resource Guide for citizens to access services and update annually

Re-Imagine Our County for a Better Future:

Commissioner Jeffers stated the priorities within the Strategic Plan goal Re-Imagine Our County for a Better Future include no real budgetary impacts but the involved the valuable resource of time. The priorities include:

- Desire to locate the TDA Director into a county space to incorporate a Welcome Center
- Create a Newcomer's Club
- Essential services information cards
- Neighborhood Watch Program
- New Farmer's Market Programs
- Expand existing mentoring program

Prosper by Developing the New Economy Locally:

Vice Chairman Puryear noted an accomplishment within the Strategic Plan goal Prosper by Developing the New Economy Locally with the new contracted service to hire an Economic Development Director. Vice Chairman Puryear stated the need to create an economic development capital fund as well as continued support of the Roxboro Area Chamber of Commerce, Roxboro Development Group and Roxboro merchants. Vice Chairman Puryear also noted his support to further develop the Southern Industrial Park, appropriate one-million dollars toward the Allied Health Center at Piedmont Community College as well as hire a grant writer to identify funds for economic purposes.

Ms. York noted the Kerr Tar Regional Council of Government announced their Board recently approved the concept of assisting the regional counties with grant writing, economic development and other services.

The group took a break at 3:18 p.m. and reconvened at 3:26 pm.

STRATEGIES FOR NON-DEPARTMENTAL FUNDING:

Ms. York requested the Board to consider if nonprofit services support the Board's priorities and asked for direction on the nonprofit application process for Fiscal Year 2011-12. Ms. York provided the following non-departmental funding history:

Non-Departmental Funding History			
Organization	FY09 Funding	FY10 Funding	FY11 Funding
City of Roxboro Fire	\$353,560	\$353,560	\$353,560
VFD's and Rescue Squad	\$485,030	\$460,776	\$460,776
OPC Mental Health	\$343,980	\$326,742	\$326,742
Hospital	\$191,000	\$125,068	\$50,000
PCS	\$9,901,835	\$9,360,967	\$9,145,967
PCC	\$1,082,062	\$1,019,199	\$1,001,699
Council on Aging	\$134,700	\$121,000	\$50,000
Group Homes	\$23,700	\$21,330	\$0
Partnership for Children	\$0	\$10,000	\$0
Volunteer Center	\$7,120	\$0	\$0
Caswell Center	\$150	\$0	\$0
RACC Personality Festival	\$5,000	\$3,000	\$2,850
Roots & Wings	\$0	\$6,000	\$6,000
Person County Museum	\$27,324	\$22,703	\$15,000
RDG	\$19,000	\$17,100	\$16,245
Grand Total	\$12,574,461	\$11,847,445	\$11,428,839

- Nonprofits

Ms. York told the Board that included as a part of the Retreat packet is a copy of the Person County Nonprofit Agency Funding Policy as well as the Nonprofit Funding Application used for current fiscal year (FY 2010-11). Ms. York reiterated Person County is facing an unprecedented financial situation facing a \$4.8 million shortfall noting this deficit does not take into account any actions from the State or any critical funding needs of county departments. The Board discussed many options including across the board cuts, setting a moratorium, consideration of funding only those awarded funding in the current fiscal year, opening up the process to any new nonprofits, setting the standard that the nonprofit service must meet a Strategic Plan objective for consideration, cutting the current year nonprofit funding by 50%, moving the nonprofit to fit under an appropriate county department, etc. The group agreed to forgo the nonprofit application process for Fiscal Year 2011-12.

- Volunteer fire contracts

Ms. York reminded the Board of the current outside agency funding agreement for fire protection as well as the Fire Marshal's proposed contract to provide fire protection services along with the fire services reporting requirements. The Board stated agreement to continue use of the current contract as well as treating volunteer fire departments the same as a county department related to any proposed changes in funding.

- OPC Mental Health

Chairman Clayton confirmed to treat OPC Mental Health as a county department.

- Education

The group agreed to treat funding for education the same as a county department. Chairman Clayton noted the county did not have the ability to make up the loss of the school's other funding sources' cuts.

- Person Memorial Hospital (PMH)

The group agreed the current fiscal year allocation of \$50,000 funded through the capital reserve fund to PMH was a one-time allocation. Commissioner Kennington stated the only proposal appropriate for county review would be another capital project request.

Commissioner Kennington provided the group with information he gathered using the Peer County Budget Information as well as Person County Government Employment Growth versus Population and Private Sector Job Growth 2000-2009.

SUMMARY OF RETREAT & EVALUATION:

Assistant County Manager, Gene Hodges identified the following follow up action items:

- Number of county facilities not presently being used
- Peer County revenue and expenditure charted information
- Savings in the adjustment from 401.20 FTEs to 387 FTEs
- Across the board cuts – identify programs as mandated or non-essential
- Identify mandated versus non-essential % of the budget
- Identify county owned property not in use, not needed, for possible sale

TRANSPORTATION DEVELOPMENT PLAN COMMITTEE:

Chairman Clayton announced an elected official from Person County is needed to be appointed as an alternate for voting purposes to the Transportation Development Plan Committee due to Vice Chairman Puryear's schedule not allowing him to attend the meetings. Chairman Clayton noted the next meeting is scheduled for February 24, 2011. Both Chairman Clayton and Commissioner Jeffers agreed to serve in this capacity.

A **motion** was made by Commissioner Jeffers, **seconded** by Vice Chairman Puryear, and **carried 5-0** to appoint Chairman Jimmy B. Clayton as the alternate to the Transportation Development Plan Committee.

CLOSING REMARKS:

Chairman Clayton thanked all staff for their effort in setting up and making the Board Retreat a success.

Ms. York requested all Board members to complete the retreat evaluation included in the Board packet.

ADJOURNMENT:

A **motion** was made by Commissioner Jeffers, **seconded** by Vice Chairman Puryear, and **carried 5-0** to adjourn the meeting at 4:34 p.m.

Brenda B. Reaves
Clerk to the Board

Jimmy B. Clayton
Chairman