

MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
RETREAT
JANUARY 14, 2013

The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the Temporary Superior Courtroom, _____ West Street, Pittsboro, North Carolina, 9:00 AM on January 14, 2013.

Present: Chairman Walter Petty; Vice Chairman Brian Bock;
Commissioners Mike Cross, Sally Kost, and Pamela Stewart

Staff Present: Charlie Horne, County Manager; Renee Paschal, Assistant
County Manager; Vicki McConnell, Finance Officer, Lisa
West, Budget Analyst; Sandra B. Sublett, Clerk to the
Board; and Lindsay Ray, Deputy Clerk to the Board

Agenda

1. **Ground Rules (Debra Henzey)** — 10 minutes
2. **Overview of Budget Process and Policies** (Renee Paschal) (Attachments: 1—
Financial and Budgetary Policies, 2—Budget Process PowerPoint; 3—Budget
Calendar)—45 minutes
3. **Expected conditions affecting next year's budget** (Renee Paschal) 2 hours --
Attachments will include: 4-financial indicators; 5-budget trends; 6a-Heads Up
document from departments and schools; 6b-Heads Up summary PowerPoint) ; 7-
Bottom Line
4. **Pay and Benefits (Carolyn Miller)** – 1 hour
Action requested: Give staff direction on pay and benefits for FY 2014
5. **Health Care Reform (Carolyn Miller)** – 30 minutes
6. **Performance Team Recommendations (Lisa West)** – 1 hour
Action requested: Give staff direction on which recommendations to implement in
the FY 2013-14 Budget
7. **Expected Conditions Affecting Next Year’s Budget**, including trends and
preliminary revenue and expenditure projections (Renee Paschal)

(Attachments: 4—Financial Indicators; 5—Budget Trends; 6a—Heads Up Document
from Departments and Schools; 6b-Heads Up Summary PowerPoint) ; 7-Bottom
Line—2 hours

CALL TO ORDER

The Chairman welcomed everyone in attendance and called the meeting to order at
9:10 AM.

GROUND RULES

Debra Henzey, Community Relations Director, reviewed the ground rules for a successful meeting as follows:

SUGGESTED GROUP GROUND RULES FOR PLANNING & GOAL-SETTING

These are recommendations only, but many of us trained in group facilitation with elected boards have found these be useful ground rules.

1. Share all relevant information, including your own positions and beliefs.
2. Focus on the reasons behind your opinions, positions or statements. What is that you want to accomplish? Why is something important to you?
3. Use specific examples to illustrate your points or assertions.
4. Disagree openly, but respectfully, with others.
5. Be cautious about making assumptions or inferences related to others' actions or statements. Test them out to see if they are accurate.
6. Stay focused on the agenda so that the group can make progress by staying on topic and avoiding distractions.
7. Make decisions by consensus. This does not mean that everyone supports every decision 100%, but that everyone feels like they have had a chance to be heard and that they can accept the group's decision.
8. Discuss un-discussable or uncomfortable issues that are keeping the group from making progress.

OVERVIEW OF BUDGET PROCESS AND POLICIES

Renee Paschal, Assistant County Manager, gave an overview of the budget process and polices in a PowerPoint as follows:



Financial & Budgetary Policies

**Chatham County Board of
Commissioners
January 2013**



Why?

- Maintain and enhance the county's financial position
 - Clear guidelines
 - Viewed favorably by bond rating agencies
-



Where did this come from?

- GFOA
 - Local Government Commission
 - Numerous policies from other jurisdictions
 - Staff experience
 - Board of Commissioners originally adopted December 2003;
 - Amended January 2008; June 2010; January 2011; January 2012
-



Sections

Budget
Debt
Fees & User Charges
Capital Improvements Program
Fund Balance
Capital Reserves
Cash Management
Accounting & Financial Reporting



Budget Policies

Objective: The County will manage its annual budget to meet its legal and debt obligations, ensure adequate funding of current service levels, meet the priorities of the Board of Commissioners, maintain the County's financial condition, and keep property tax increases to a minimum. The County shall operate under an annual balanced budget ordinance whereby the sum of net revenues and appropriated fund balances equals the expenditure appropriations. The *Local Government Budget and Fiscal Control Act (G.S. 159-8)* requires a balanced budget ordinance from all local governments.



New or Increased Services

The County should ensure adequate funding of critical services before funding new or enhanced services.



Mid-year appropriations

All agencies supported by the county must function within the resources made available to them through the annual budget. The county will consider requests for new or expanded programs during the course of the regular budget process. Only in extreme circumstances will such requests be considered outside of the budget process.



Use of one-time revenues

One-time revenues should not support ongoing personnel and operating costs. Use of one-time revenues is appropriate for capital outlay, debt retirement, contribution to capital reserve, and other non-recurring expenses. Proceeds from the sale of surplus capital items will go into the County's general capital reserve, unless proceeds are otherwise restricted.



Funding of Nonprofit Agencies

Funding-of Nonprofit Agencies: The County will follow a fair process for funding nonprofits. All requests will be made through the county's annual nonprofit allocation process. The County will utilize volunteers to review requests and make a recommendation to County Commissioners. Total funding available for allocation will be determined annually by the Board of Commissioners.



Grants

The County will pursue federal, state, and private grants to enhance services to County residents. However, the County will strictly limit its financial support of grant-funded programs to avoid commitments which continue beyond funding availability. The County will not continue programs after grants have expired except as expressly approved by the Board of Commissioners as part of the annual budget process.



New Positions

New positions for existing programs and services should be added when there is no other viable option. Alternatives, such as contracting, technology, and reassignment of duties should be fully explored and documented before new positions are funded.



Level of Budgeting

In order to tie costs to specific services, departments shall submit budgets for each of their divisions or program areas. Department heads are authorized to transfer operating funds between their divisions without prior approval. Transfers for personnel and capital outlay must be approved by the Budget Officer. The County shall adopt budgets at the program level. Commissioners reserve the right to review and/or adopt budgets at a greater level of detail.



Justification for funding

Departments and agencies requesting funding from the county should justify their requests in terms of maintaining or increasing service levels. Departments should measure their performance in key service areas and periodically compare their performance to other jurisdictions to discover efficiencies and develop best management practices.



Contingency funds:

Departments shall not include contingency funds in their respective budgets. The county shall include a general contingency fund in its annual budget. The amount of the contingency fund shall not exceed one percent of the annual budget.



Budget Officer

The County Manager serves as the budget officer. He is authorized to perform the following functions or delegate them:

- Transfer funds within a department without limitation.
 - Transfer amounts of up to \$5,000 between departments of the same fund with a memorandum report of such transfers at the next regular meeting of the Board of Commissioners.
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Budget Officer (cont.)

- Transfer amounts of up to \$50,000 from contingency to any department with a memorandum report of such transfers at the next regular meeting of the Board of Commissioners. Greater amounts can be made available upon agreement of Chair and Vice-chair and notification of other board members.
 - Transfer, terminate, or create positions, and transfer associated funds, without limitation, provided that actual personnel costs do not exceed budgeted personnel costs and position counts are not increased.
 - Employ temporary help from time to time to meet circumstances.
-

Ms. Paschal explained that the Board may want to consider changing some language. In the Budget Ordinance, the Board has given the County Manager the authority to transfer up to \$50,000 from contingency without prior approval; however, the policy says \$25,000. She stated that they would like to make those two things consistent with both stating \$50,000.

Commissioner Kost stated that the policy says that the County Manager could approve \$50,000 but needs to have agreement by the Chairman and Vice Chairman; thus, she does not see where the policy is inconsistent.

Ms. Paschal stated that the ordinance language does not require prior approval of the Chairman and Vice Chairman to transfer amounts between \$25,000 and \$50,000. She stated that the ordinance supersedes the policy. The question is if the Board wants to change the policy.

Commissioner Cross agreed that the ordinance and policy should match.

Commissioner Kost stated that she would like for the ordinance to match what the Board now has as the current policy.

Ms. Paschal stated that there was a discussion held when the ordinance was changed to give the greater level of authority.

Commissioner Kost stated that the Board of Commissioners is being held accountable. This has been her argument to keep it at \$25,000 as it is in the policy. She stated that she doesn't think the \$50,000, the way we have it, is problematic. It is just getting the Board in that loop. The Manager could still do the \$50,000; however, he would need to discuss it with the Chairman and Vice Chairman first and then report it to the full Board. She stated that she would like to see it stay as it is in the policy, \$50,000 with the Chairman and Vice Chairman in the loop and notification of all the Board of Commissioners members.

Further discussion ensued.

Ms. Paschal restated that the ordinance and policy can be inconsistent as the ordinance supersedes the policy; however, staff would prefer that they match.

Commissioner Cross moved, seconded by Commissioner Bock, to change \$25,000 to \$50,000 in the financial policy and direct staff to draft a change to the budget ordinance

stating, “greater amounts could be made available upon agreement of the Board of Commissioners”, so that the ordinance and policy match. The motion carried five (5) to zero (0).

Ms. Paschal continued with her PowerPoint presentation:



Debt policies

Objective: The County will manage its debt obligations to meet demands for capital facilities while striving to maintain or improve the County’s current bond rating.

Commissioner Kost asked if the County had a policy regarding debt refunding. Ms. Paschal stated that we did not; however, we could look into it.



Types of debt

The types of debt available to North Carolina county governments include general obligation bonds, certificates of participation (COPs), installment purchase, other leases, revenue bonds, and proceeds from the refunding of general obligation bonds. In general, the county will select the appropriate type of debt given financial circumstances and feasibility.



When debt is appropriate

Debt is an important tool for financing capital facilities. Over-reliance on debt, however, is negatively perceived by bond rating agencies. The county should exhaust all possible resources, such as grants and pay-as-you-go funding, before borrowing funds. Debt should only be used for the construction of capital facilities and the purchase of capital assets. In general, the assets should not be recurring capital replacements, such as vehicles. If terms are favorable, however, the county may elect to use debt in this manner. Debt should never be issued to meet recurring operating expenses.



Terms

The term of the debt service payments shall not exceed the useful life of the asset purchased through debt



Debt limitation

Debt issuance guidelines and formulas established by the Local Government and rating agencies will be closely monitored and appropriately applied. North Carolina state law permits local governments to issue debt up to eight percent of the total assessed valuation



Relationship to operating and capital budgets:

Debt for items meeting the requirements of a capital project shall be requested through the capital improvements program (CIP) process. Other debt requests shall be made through the annual budget process. The annual budget will include sufficient funding to meet the County's debt service obligations.



Fees and user charges policies

Objective: The County will set its fees and user charges to recover the costs of services at a predetermined recovery threshold and thereby reduce reliance on property taxes.



Enterprise funds

The operating budgets of enterprise funds shall not be subsidized by the general fund and shall be supported wholly by fees generated by the enterprise. To the extent possible, the capital costs of enterprise funds should not be subsidized by the general fund, unless Commissioners identify a compelling need to provide a subsidy.



Other fees and charges

The County should charge other fees when it is allowable, when a limited and specific group of beneficiaries can be identified, when it is feasible to charge beneficiaries for the services rendered, and when there is no reason to subsidize the service wholly or in part. To the extent possible, fees levels should be set to recover the full costs of the services provided, unless it is deemed necessary or desirable to subsidize the service.



Subsidy

Factors to consider in deciding whether a subsidy is appropriate include the burden on property tax payers, the degree to which the service benefits a particular segment of the population, whether beneficiaries can pay the fee, and whether the service provides a broader benefit to the community.



New and increased services

Part of the decision-making process in establishing new services or increasing service levels should include an analysis of fees and user charges and a desired cost-recovery threshold.



Review and approval of fees and charges:

As part of the budget process, the County shall annually review the fees and user charges. All changes to the schedule of fees and charges must be approved by the Board of Commissioners.



Capital Improvements Program (CIP) policies

Objective: The County will plan for its capital needs at least seven years into the future in order to address needs and to earmark revenues.



Process

A seven-year capital improvements plan shall be prepared and updated each year. Departments and agencies shall request items meeting the definition of a capital asset through the County's annual CIP process. Only in extreme circumstances will the County consider items outside the CIP process. Generally, agencies should plan seven years ahead for capital improvements and project additions to the CIP should occur in Year 7 of the CIP.



Relationship to annual budget

The operating impact of each project shall be identified and incorporated into the annual operating budget.

Commissioner Kost stated that she struggled with "What is a project at \$100,000?" She stated that she never quite understands what can and cannot be bundled.

Ms. Paschal stated that they encourage departments to bundle. If they are replacing a computer system that includes hardware and software and together they cost more than \$100,000, they require that it goes through the CIP process.

Commissioner Kost stated that she was curious if County policy should define what makes a project so that it would be clearer to departments as well.

Ms. Paschal explained that was covered in the capital budget training of departments; however, an addition could be made to the policy for clarification. She stated that they would prepare language before the new budget is adopted.



Capital project ordinances

A separate capital project ordinance shall be submitted to the Board of Commissioners for approval for all capital improvements which span more than one fiscal year and cost \$100,000 or more.



Fund balance

Objective: Recurring operational expenses of the county will be funded through recurring revenue sources. Fund balance is considered one-time revenue. The county shall maintain an unreserved, undesignated fund balance in its general fund equal to 20 percent of the previous annual operating budget in order to meet emergency obligations, avoid interruptions in cash flow, generate interest income, and maintain an investment-grade bond rating.

Ms. Paschal stated that they needed to change the wording “unreserved and undesignated” to “unassigned”.



Allowable uses

Fund balance may be used as appropriate under sound management practices.



Excess Fund Balance

Upon completion of the annual audit of County finances, any unreserved, undesignated fund balance above 22% will be transferred to the Capital Reserve Fund. The Capital Reserve Fund shall be used for one-time capital expenditures. The fund may also be used for prepayment of debt, upon recommendation by the County Finance Officer, to reduce the county's outstanding debt or to pay down debt with high interest rates.



Capital Reserves

Objective: The County will strive to fund capital improvements on a pay-as-you-go basis in order to enhance its financial condition and bond rating.



Annual Contribution

The County shall annually contribute a minimum of one percent of its operating budget to a capital reserve.



Cash Management

Objective: The County shall effectively manage its cash resources in order to maximize interest earnings and minimize loss of revenue.



Cash Disbursements

The County's objective is to retain moneys for investments for the longest period of time possible. Disbursements will be made on the contractually agreed date unless earlier payments provide a greater economic benefit to the County. For County checks, one signature will be required. Facsimile signatures will be safely stored and used when appropriated.



Investment Policy

County funds will be invested in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order. The County will conform to all state and local statutes governing the investment of public funds.



Accounting and Financial Reporting

Objective: The County will establish and maintain its accounting system in accordance with the NC Local Budget and Fiscal Control Act. All records and reporting will be in accordance with Generally Accepted Accounting Principles. The County will maintain an accounting system which provides internal budgetary and accounting controls designed to provide reasonable assurance regarding both the safeguarding of assets against the loss from unauthorized use or disposition and the reliability of financial information used in the preparation of financial statements and reports.

BOND RATING

Doug Carter, President, DEC Associates, stated that he had spent most of his career in local government. He worked for Harland Boyles, State Treasurer, as deputy secretary of the Local Government Commission. He provided background which includes extensive experience in North Carolina Government. He stated that it was good that the County looks at policies. He stated that Chatham County also has a very good financial plan. In 2006, he attended a Board of Commissioners meeting, presented a spreadsheet, and told the Board that they couldn't get what they wanted without raising taxes. In 2006 the Board of Commissioners adopted a formal financial plan which established a dedicated Capital Fund which is now called the Capital Reserve Fund. Out of that, the Board made a promise to itself that they weren't going to mix what was operating every year and had to be paid and true capital needs. Most counties did not do that. Chatham County was among the first in the State to do dedicate resources for capital formation and the creation of acceptable capital assets. At that time, it was slightly over one hundred million dollars in need. The plan was adopted and the money was put in the bank. It has been amended twice and the Board has kept true to its plan. He stated that Chatham County has a split rating, AA flat and AA+. The most well-known rating agency is Moody's Rating Service. Professional staff has made it plain that the County would like to be a Triple A someday. There is no other county like Chatham. Everyone is aware that the ratings came under a lot of scrutiny in 2008 because the rating industry had basically jumped mortgages that had been rated Triple A because they had been bundled into groups. The theory was that if the group was made wide enough and enough people put in the group, it is always the strength of its strongest link; however, it is the strength of its weakest link. There has, therefore, been a greater process of review and

carefulness with respect to ratings in general. They have just received a confirmed rating of AA+ from S&P. Moody's rating was AA with a stable outlook. It is now AA with a positive outlook. They said that the County had unbelievably good management, planning, and good financial plans. He stated that staff had their facts together and know what they are doing. They are good at financial planning, good at policy setting, and good on envisioning. The fund balance has never gone beyond zero. The issue with Moody's is more jobs in the County and more diversification of the economy. He encouraged the Board to stick with their policies and keep the Fund Balance where they say it is going to be.

Chairman Petty mentioned diversification of jobs and asked if it was diversification in the jobs category. Mr. Carter stated that there was a general view that Chatham is a primarily agricultural economy although people are beginning to see retail side of the economy more, and they are beginning to see the spillovers from the urban economies that surround it.

Commissioner Cross stated that the County has various methods of obtaining money to build capital improvements including loans and certificates of participation (COPS). He stated that the County is going for a general obligation (GO) bond for the new agriculture center and asked if this would be a good thing with the rating agencies.

Mr. Carter stated yes, it is ok. He stated that Chatham County has done a good job choosing how it issues its debt and the process it uses to get there.

Commissioner Kost asked the difference in an AAA rating and an AAA+ with a positive outlook and interest rate differences.

Mr. Carter explained that interest rates are so low, he would characterize it as recognition that could then be bragged on.

Commissioner Kost stated that they are looking at going out for a General Obligation (GO) for the Ag center and are hopeful that it will pass. She asked if it would have an impact on the rating agencies if it failed and how would it be viewed.

Mr. Carter stated that it would not be negatively viewed. Where rating agencies would be perplexed on GO votes, etc., as in schools, if it failed more than once, the failure for a growing entity to meet its minimum capital needs is what would be negatively perceived. Negatives will come from inaction and not meeting minimal capital needs.

Chairman Petty stated that the Board knows it has a good staff; however, it is refreshing to have someone from the outside come in with that reassurance.

BREAK

The Chairman called for a short break.

Ms. Paschal reviewed the budget process in a PowerPoint entitled "The Budget Process" as follows:

THE BUDGET PROCESS

The Role of the Budget

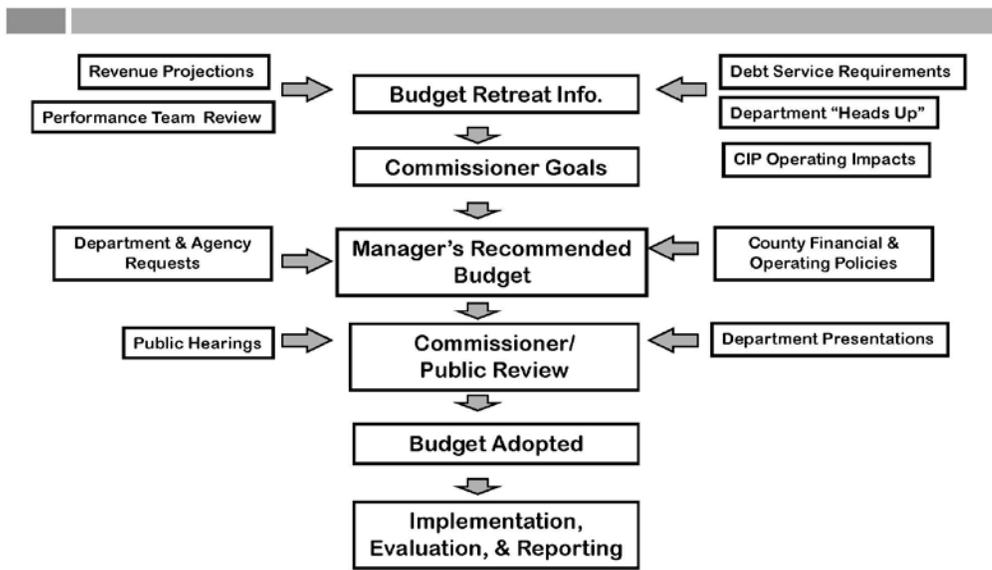


Service

The Role of the Budget

- The budget decides:
 - Will we continue current services?
 - Will we increase current services?
 - Will we reduce current services?
 - In other words, who gets what, when, and how
-

Budget Process



Past Goals of the Process

- Commissioner leadership
 - Input from all agencies and departments receiving funding
 - Community input
 - Full information, including performance data
-

Commissioner Leadership

- Happens early, generally during the January Retreat
- What are your expenditure priorities for the upcoming year?
- What are the revenue constraints (property taxes, fees, etc.)? Staff presents estimates of fund balance and revenue
- What long-term goals for the county (such as debt loads and fund balance) do you want staff to follow?

Financial Policy

- Based on the commissioners' long-term goals
- Covers areas such as capital reserves, fund balance, debt levels, bond ratings, enterprise funds, etc.



Input from Agencies & Departments

- Occurs in December
- “Heads Up” document
- Lets you know what the problems and issues are
- Gives you information for setting expenditure priorities



Expansion v. Continuation

- The budget is broken into continuation and expansion
 - Continuation means the funding necessary to provide the same services as the previous year
 - Expansion means additional funding to provide better, more, different (etc.) services
-

Criteria for Ranking

- Commissioners' priorities
- Safety
- Mandate
- Timing/linkages
- Economic impact
- Efficiencies
- Maintain service levels
- Improve access
- Improve service quality
- Add services
- Operating budget impact
- Community support/impact
- Financing

Special Review Processes

- Coordination of non-profit requests with United Way (joint application and process)
 - Commissioners will select volunteer panelists to review and make recommendations on non-profit requests
 - Changes have already been approved, including:
 - Designating 55% of funds for hunger, housing, and healthcare
 - More emphasis on program goals & objectives
 - No funding for startups
- Review of Fire Department budgets by the Fire Marshal and Finance Officer

Special Budgets

- Enterprise funds (water and waste management) – fees generated from operating these systems (plus other revenues) should pay the costs
- Special revenue funds – contain revenue which has been earmarked by law or policy for a special purpose

Community Input

- Budget published well before the legal deadline of June 1
- Recommended budget is available on the web and in the county's libraries
- Public hearings held in Pittsboro and Siler City

Full Information

- Budget document includes performance data and a summary of all recommended expansion items
 - Performance information included to help you make decisions about service levels
 - Staff works to continuously improve the budget document to be a better communications tool
-

Expected Retreat Outcomes

- Give staff direction on revenues
- Give staff direction on expenditure priorities
- With the help of a facilitator, adopt:
 - 3-5 short term goals (12-18 months)
 - 3-5 long term goals (2-5 years)

CHATHAM COUNTY LOCAL GOVERNMENT

Department Heads-Up:

Lisa West, Budget Analyst, stated that early in the planning process for the upcoming budget, departments are asked to identify important issues they will be facing in the coming year. That information is presented to the Board of Commissioners us use in setting priorities for the upcoming budget. This is just one set of information for the Board to consider but Staff thinks it is important to hear the needs as the departments see them. Department Heads were asked to answer three questions clearly and concisely and had the option to provide additional detail in the form of links to other tests, video, or audio files. This format give a summary of the issues but allows one to dig deeper if they so choose.

Ms. West PowerPoint is as follows:

**Chatham County Local Government
Department Heads-Up**

Department Name: Elections

Budget/Division Name: Elections

Describe the first issue

Polling place and one stop site for North Chatham

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

In the Primary of 2014, a US Senate seat will be on the ballot and we must provide a polling place for the Primary Election

Are you currently considering any actions to address this issue?

No options are on the table at this time. In the past the BOC has paid for a one stop site that we also use as an Election Day polling place.

Describe the second issue

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

Are you currently considering any actions to address this issue?

Commissioner Cross stated that he didn't know how much the school system is using the bookmobile, but since we will be looking for a polling place for many years somewhere in the northeast, could the bookmobile be used as a polling place and over time, would the money to outfit it be equal to or less than the rent paid for a polling place.

Commissioner Kost voiced concern that it would be too small for that area.

**Chatham County Local Government
Department Heads-Up**

Department Name: Council on Aging

Budget/Division Name: Council on Aging

Describe the first issue

Changes in Medicaid payments for people in assisted living will displace older adults who rely on Medicaid to pay their room and board.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

We anticipate an increased need in the community for in home aide services for older adults with impairments in activities of daily living. This is a service we provide to people not covered by Medicaid.

Are you currently considering any actions to address this issue?

We are working to assess how many people might be displaced from assisted living facilities and where they might find housing.

Describe the second issue

As the older adult population ages and increases in size, we are holding more people on waiting lists for basic transportation and nutrition services. These people are spread around the county and we do not have transportation routes or funding to bring them to the senior centers for health and nutrition programs.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

This has a significant negative impact on staff morale – basically we are maxing out on the services we can provide at a time when the population is increasing. It also makes it difficult to promote our services in the community when all we can offer people is wait listing.

Are you currently considering any actions to address this issue?

We will be working to develop funding requests for next year based on more in depth population analysis.

Chatham County Local Government
Department Heads-Up

Department Name: Chatham Transit Network

Budget/Division Name: Human Services

Describe the first issue:

Local match for FY 14 Community Transportation Program grant is increasing \$4,989. The County has historically provided these matching funds to maintain and increase the availability of transportation services for its citizens. These additional funds will enable us to replace some outdated vehicles and minimize our vehicle repair costs.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

Without additional County support, these costs must be passed on to the nonprofit agencies (many receiving County funding) to maintain the current level of service. In addition, increasing repair costs will further increase costs to these nonprofit agencies.

Are you currently considering any actions to address this issue?

We will be increasing marketing activities to increase other sources of revenue, such as advertising on our vehicles.

Describe the second issue:

Though not expected to impact until FY15, the NC Department of Health and Human Services is preparing to hire a [statewide broker](#) to arrange non-emergency medical transportation for Medicaid recipients. This broker would be paid a set rate for each trip, no matter how much the actual transportation provider may charge them. The broker is expected to “dump” as many riders as possible into other funding sources such as rural general public, elderly & disabled, etc. Recently, the NC Public Transportation Association held a conference call with three large vendors interested in becoming brokers. Two of the three operate transit services in parts of North Carolina and have their own vehicles.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

At a minimum, a statewide broker is expected to reduce the rate that we can charge for Medicaid funded non-emergency medical trips, which will necessitate at a minimum, cost shifting (increasing charges to our non-profit customers and general public riders). Should we be unable to earn enough with the broker’s rate to cover our costs, we would be required to reduce staff (including layoffs) and other costs, increase charges to riders (agency and general public), and reduce the availability of service. [\(See attachment for summary of Chatham Transit response to NEMT.\)](#)

Are you currently considering any actions to address this issue?

We continue to monitor this situation with our peers in the transit industry and with friends in the disability community. **(For example, see [article from the News and Observer.](#))** We expect to fight this proposal with our friends and peers, while simultaneously preparing ourselves to be the provider that the broker chooses to provide this service.

Dan Stroupe, Chatham Transit Director, distributed hard copies of a “Non-Emergency Medical Transportation report. He explained that the NC Department of Health and Human Services (DHHS) is preparing to hire a statewide broker to arrange non-emergency medical transportation for Medicaid recipients. This broker would be paid a set rate for each trip, no matter how much the actual transportation provider may change the broker. Mr. Stroupe explained the events leading to the brokerage system, State expectations, and local impact of the brokerage system as follows:

Events Leading to Brokerage System:

- Executive Order 21 Expires. Former Governor James Martin issued Executive Order 21, a pivotal point in coordinating transportation efforts with the formation of the Human Service Transportation Council in 1991. This council was charged to increased cooperation among member agencies and increase coordination of local human service transportation. This order

expired by default in 2004. Executive Order 21 led to the formation of Chatham Transit Network and other coordinated systems across the state. Unfortunately, interagency coordination has severely diminished since this executive order expired.

- Deficit Reduction Act allowed states in 2005 to amend their Medicaid State plans to establish a non-emergency medical transportation (NEMT) program.
- 2007-2011 Medicaid Audits led the NC Division of Medical Assistance (DMA) to seek a broker to relieve their administrative burden. DMA came to this conclusion as a result of audit findings in a 2007 audit that resulted in a \$4.3 million payback to the Centers for Medicare & Medicaid Services (CMS). Subsequent audits and reviews in 2008 and 2011 uncovered additional serious and consistent errors requiring substantial payback to the CMS.
- The General Assembly mandated that DMA and the Public Transportation Division issue an RFO for management of NEMT services for Medicaid recipients.

State Expectations:

States with less coordination of services have seen considerable savings in their Medicaid budgets. Consequently, the state erroneously expects similar savings with North Carolina's coordinated systems are a model for other states. In fact, the Georgia Regional Transportation Authority interviewed me in November to learn more about how we combine trips for our different constituents to provide efficient and cost effective services.

Savings expectations have also been fueled by inadequate analysis of providers' budgets. For many providers, Medicaid's portion of the budget is disproportionate to ridership. Subscription services and deviated fixed route services for human service agencies are more cost effective because more riders can be transported. However, many Medicaid and other medical trips have a small number of riders because the trips are provided on a demand response basis so that fragile riders do not ride longer than they are physically capable of.

Though a statewide broker could choose to continue using the current local providers, guidelines being bantered about include considerable flaws:

- Medicaid and non-Medicaid trips may not be combined, leading to increased costs particularly for non-Medicaid trips. (Medicaid trips are expected to be capitated.)
- Services may have to be available 24/7. Other than emergency services, what medical services are provided 24/7?
- Providers may be required to transport gurney patients.

Local Impact of Brokerage System:

1. Costs will increase for general public, human service, and non-Medicaid medical transportation. If Medicaid rides cannot be combined with other rides, then the cost of these trips will increase because Medicaid will no longer be picking up a portion of the trip. Though there would be some decrease in direct costs for the trips, those indirect costs that cannot be reduced must be shifted to other sources paying for the non-Medicaid trips.
2. Will the broker try to dump their trips under other funding streams? DMA is expected to pay the brokers for each trip they arrange. Can they schedule the

- trip under the Section 5310 Program for the Elderly and Disabled? If so, they can pocket the money and reduce funding currently available to fund non-Medicaid trips for individuals currently transported through the 5310 program.
3. Will Chatham Transit Network be forced to use some sort of contribution margin type pricing to keep the Medicaid service and reduce the financial impact to the agency and its other services?
 4. Will the broker choose to provide the least costly trips themselves and leave the more costly trips for the providers such as Chatham Transit Network? [Two of three providers participating in the state's teleconference in November already provide services in North Carolina and have their own vehicles. However, they are not likely to provide trips themselves which would not be profitable for them.]
 5. Reduced revenue and services would result in necessary layoffs for Chatham Transit staff.

**Chatham County Local Government
Department Heads-Up**

Department Name: County Manager

Budget/Division Name:

Describe the first issue

The lack of reliable and efficient software to manage both human resources and budgeting causes problems in managing personnel and in producing a high-quality budget document.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

The county lacks integrated human resources software, uses an antiquated Access database to track training, and uses custom SQL software to produce a budget document. The lack of HR software means that changes in employee status must be manually input to the accounting software, and the different components of human resource management are not integrated. For example, current status of employee positions and status of job applications are maintained on Excel spreadsheets. The training database was developed in house using an older version of Microsoft Access. The software has become unstable and no longer functions correctly. Much training must be tracked for the mandated OSHA programs and the Leadership Academy. The budget software is a custom SQL database created by a contractor many years ago. It was modified and supported by a developer who is no longer employed by the county. Backup and maintenance of the software and server is a continual problem, and many work-arounds to various software problems involve manual, error-prone processes. The software has been modified and corrected so frequently that support and modification is a continual problem.

Are you currently considering any actions to address this issue?

The department is reviewing software specifically designed to support the public sector that integrates human resources, budget, and finance. Integrated software will allow the county to manage its core functions with a single application, and a single application will ease the burden of software support.

Describe the second issue

The issue has two components, identified last year. First, a FY 2008 pay and classification study showed that many employees of Chatham County are paid under market value for their positions compared to surrounding jurisdictions. The problem was more pronounced in some departments and job classes. Second, with the elimination of the Pay-for-Performance system most employees have not received any base-pay merit increase since July 1, 2008. During this time, the cost of living has increased roughly 2% each year.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

This has created a number of difficulties in recruitment and retention across a variety of departments, as well an impact on morale. Hiring has started to pick up in surrounding areas, and this impacts the recruitment and retention of employees. Morale is suffering, and the county has lost several valuable employees to other jurisdictions in the current fiscal year.

Are you currently considering any actions to address this issue?

A partial solution to the first issue was addressed in the FY 2013 budget, and commissioners indicated support for further action to fully address the problem. However, last year almost half of employees received the minimum 2% increase. HR is considering balancing last year's action with a modest merit pay increase in conjunction with a refresh of the 2008 pay-study data. Updated pay-study information will help us to revisit Phase 2 of the study next year. We will also implement a merit-based performance evaluation system in the coming fiscal year. Details of this system will be presented for consideration during the budget retreat.

Carolyn Miller, Human Resources Director, provided an example of why new software is included in the Heads Up document. She stated that the current procedure to process a personnel action is redundant and paper-heavy; that after actions are approved by human resources on paper and in an independent spreadsheet, they must be re-entered into the payroll side of the financial software; that tracking normal human resources metrics such as leave usage must be done manually; and that none of the systems (budget, financials, human resources, and training) "talk" to one another, causing a high chance of error and inefficient use of time and resources.

Commissioner Kost asked how much money would be needed.

Ms. Paschal stated upwards of one million dollars. Ms. McConnell stated that would also include all of the financials.

Ms. Paschal explained that Staff was happy with the budget software. They have budget software, designed over a period of time both in-house and with a consultant, that produces most of the budget document; however, it has to be downloaded to an excel spreadsheet, imported into the software, and back when they are finished with the numbers.

Ms. McConnell stated that she rekeyed in all of the line items.

Chatham County Local Government
Department Heads-Up

Department Name: Department of Social Services

Budget/Division Name: Economic Services

Describe the first issue

The State is in the process of implementing the new statewide case management system, NC Fast. With the implementation of NC Fast, each case in Food and Nutrition, Medicaid, and Work First, totaling over 9100 cases, will have to be manually converted into the new system. This will be further complicated by the projected implementation of the Affordable Care Act which will increase Medicaid caseloads as more residents become eligible. Even before the implementation of the new law, Medicaid caseloads have continued to rise with a 16% increase over the last two years.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

Increasing demands for services along with the transition to NC Fast has negatively impacted our staff's ability to meet state and federal mandates while providing quality and timely services. Caseworkers are under a great deal of stress to make sure work is accurate and timely. We strive to improve customer service, but as caseloads increase, customer service is adversely affected. We also fear that this will have a significant impact on the morale of the workers as they are required to attend extensive training, work additional hours, and learn to maneuver within a new and very complicated computer system.

Are you currently considering any actions to address this issue?

Currently the Food and Nutrition Unit is in the process of transitioning the entire caseload from the current state system to a new automated case management system. To address the demands of this additional workload, workers from all Economic Services Units are being trained and have been asked to work extended hours to assist in this transition. Even with this additional support, the process will take 6-9 months and during that time, it is expected that other programs will be added to the new NC Fast automated system. It will be impossible for the workers to continue to work at this pace and keep up with the increasing demands of their jobs. This conversion process to the new automated system may require temporary staff for a short time span. When totally converted, this system is expected to streamline eligibility determination and thus save caseworker time; however, the increasing caseloads and the implementation of the Affordable Care Act may still require additional permanent staff.

Describe the second issue

For the past 21 years, DSS has contracted with Child Care Networks to administer the Child Care Subsidy Program. Due to the rising costs, along with the implementation of the Work Support Strategies initiative in which all economic services programs are being streamlined to be more efficient and customer friendly, and more complicated automation/security requirements, DSS has made the decision to bring the administration of the program back to DSS.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

Not only will this affect our staff as they learn to manage a new program, but it will also be a major change for Child Care Providers as well as the families of the children served by this program. Even though the program will be administered in-house beginning July 2013, DSS will be responsible for the cost of the annual audit (one-time expense) of the subsidy program under CCN administration.

Are you currently considering any actions to address this issue?

We are currently developing a plan to ensure a smooth transition of the program from Child Care Networks to DSS. Approval to hire staff for this program was granted in the FY12-13 budget process in order for staff to be properly trained and prepared to manage the program beginning July 2013.

**Chatham County Local Government
Department Heads-Up**

Department Name: Department of Social Services

Budget or Division Name: Family Services

Describe the first issue

During last fiscal year, DSS became the only public agency guardian in NC. This was the result of a decision made by the NC General Assembly. Wards from the Health Department, OPC Mental Health, and the Council on Aging were transferred to DSS beginning in June 2012.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

This shift has resulted in the doubling of guardianship caseload. Presently, the state recommendation is 22 wards per 1 full time position. Our agency went from 24 to 38 wards. Half of these (19) are placed out of county (Davidson, Duplin, Wayne, Wilson, Granville) which will require more travel expense and staff time to make the necessary visits. Of these new wards, many are younger and will require long term assistance due to their complex mental health and developmental needs.

Are you currently considering any actions to address this issue?

The Division of Aging and Adult Services has allocated funds to help local DSS agencies. Some guardianship cases have been transferred to the services intake staff. Presently, we are comparing state caseload recommendations to our caseload to determine if additional permanent staff might be needed. We are also evaluating whether wards with mental health diagnosis require more staff involvement and therefore more staff time.

Describe the second issue

Currently, we are struggling to meet the needs of our adolescent population, particularly related to their mental health. Changes in the mental health system have made it significantly more difficult to obtain services including therapy, therapeutic foster care, and residential treatment. At the same time, we would like explore other options for meeting the needs of youth who age out of foster care as residential placements are cost prohibitive (approximately 6 youth age out of annually).

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

It has taken significant staff time to obtain proper approvals for therapeutic foster care and therapy. Although the provider (e.g. therapeutic foster home, therapist) may be licensed by the state, Cardinal Innovations (the MCO) has a separate approval process and it appears that agencies/providers are not sufficiently informed about how the procedures have changed. This leaves DSS to bear the cost of treatment while approvals are maintained when children are in DSS custody.

Are you currently considering any actions to address this issue?

DSS has filed appeals and grievances with Cardinal Innovations but at this time there have been no changes to the approval system. Orange County DSS is currently exploring the development of a local independent living housing program that would allow youth to live independently but have the oversight of a 24 hour staff person living at the residence. We have expressed an interest in obtaining more information and would consider partnering depending on the cost and program details.

Chatham County Local Government
Department Heads-Up

Department Name: Emergency Operations
Budget/Division Name: Telecommunications

Describe the first issue

Current staffing levels will be insufficient to handle the increasing number of emergency calls coming into the Communications Center. Additional staffing is needed to ensure we are able to answer and dispatch all emergency call received in the communications center in a timely manner. In FY 2012 99,384 emergency calls were received, an increase of 13,563 from the previous year. The volume of calls has increased for breaking and entering, cardiac related calls, strokes, and domestic situations. In addition, the Communications Center now tracks calls for DSS, animal control, and water department.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

The increasing call volume limits staff ability to answer and dispatch the emergency calls in a timely manner. Sometimes new emergency calls come in before a prior emergency call can be dispatched. Staff works as a team in the Communications room, with one telecommunicator taking the call and obtaining necessary information, while another dispatches emergency response units. At peak times there may be delays in dispatching the calls due to shortness of staff. This can result in increased page and dispatch response time.

Are you currently considering any actions to address this issue?

Additional staff is needed.

Describe the second issue

Need to improve the VHF & UHF radio coverage in the south central and northeast portions of the county. Currently responders at Carolina Meadows and southwest Chatham cannot call back to the communications center on their portable radios because the signal is not strong enough. They can only reach the 911 center from a mobile unit in a truck if one is available.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

Improved coverage in these areas would improve customer service for responding emergency service units and for the citizens that are in need of assistance.

Are you currently considering any actions to address this issue?

Emergency Operations is investigating the cost of installing remote radio sites in Goldston and Carolina Meadows that could receive the transmission from the response unit's 5-watt portable radios and send that transmission, at about 40 watts, to the closest repeater. This would be a short term solution to address the immediate problem and would be addressed in the operating budget as an expansion item. A long-term solution would be sufficiently costly to merit consideration in the CIP.

Chatham County Local Government
Department Heads-Up

Department Name: Health

Budget/Division Name: 5013/Community & Family Health Connections Division

Describe the first issue

Major changes in Medicaid reimbursement from fee for service to a per member per month payment for care management services to pregnant women and children were implemented fiscal year 12. We have moved from referral based to population based services creating a broader identification of pregnant women and children eligible for the care management services. The state has continued to provide funding for one position to serve the non-Medicaid population, but we were advised that these funds may end.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

As a result in the fee structure change, there is a decrease in the amount of funding for service provision, yet all identified clients must be served as waiting lists are not allowed. Our ability to serve clients in need has been limited as the transition process has been in process for several years. We restructured the staffing this year based on the Division of Public Health Consultant guidance. We will continue to assess staff capacity with the identified priority populations for both programs. We have been challenged by the high number of identified Spanish-speaking families and the capacity of our two bilingual staff is stretched.

Are you currently considering any actions to address this issue?

Currently, all four care management positions are filled but caseload capacity guidance has not been provided and work load capacity is a concern as the new programming does not allow waiting lists. The four staff are responsible for the entire Medicaid population of women and children, who may be in need of services as well as non-Medicaid women and children. Training staff in appropriate identification and level of client needs for services is ongoing. We have increased identification of the priority population through use of the CCNC Informatics System used for the Medicaid population. A high number of these families are Spanish-speaking, as such, we may need to explore expanding our capacity to serve these families with our current staffing through use of interpreters.

Describe the second issue

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

Are you currently considering any actions to address this issue?

**Chatham County Local Government
Department Heads-Up**

Department Name: Health Department

Budget/Division Name: 5014/Environmental Health

Describe the first issue

Accuracy in reporting any data to the public is important. But when reporting exact locations of wells and septic systems the accuracy becomes necessary to the client, the contractors, and neighbors to avoid contamination sources when installing wells and septic systems. Currently the Environmental Health Division uses GPS units to locate wells and septic systems. We have had the current units for 5-7 years and the reliability and accuracy level has decreased significantly over the last couple of years.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

Staff become very frustrated with the GPS units when they are not accurate. Inaccuracies also lead to redundancy in work by having to visit a property again just to plot points a second time after the unit has had time to "rest" and potentially be recalibrated. Environmental Health is also working with GIS to include more data on the GIS website so residents and the general public can view permits and well and septic locations for properties within the county.

Are you currently considering any actions to address this issue?

In order to continue our current service of providing accurate permits and to improve our service of providing additional data on the GIS website for the general public, Environmental Health is considering buying 4-5 new GPS units and a new license to an upgraded version of Arc View mapping software.

Describe the second issue

Geothermal well permitting. NCDENR DWQ enacted rules this year that eliminated permitting of geothermal wells and deemed closed loop geothermal wells permitted-by-rule limiting the requirements to just DWQ notification; neither a site visit nor verification from the county is required prior to installing geothermal wells. Over the years Chatham County EHS's have observed geothermal wells being drilled in septic systems and repair areas.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

Environmental Health permits are issued to protect the health of all people who live in and visit Chatham County. Allowing geothermal wells that are improperly sited to be drilled and potentially impacting the aquifer from which neighboring properties receive water could have a detrimental impact on the health of the residents as well as the value of the property

Are you currently considering any actions to address this issue?

Chatham County Environmental Health is considering a request to the Board of Health to adopt local permit requirements for geothermal wells.

Chatham County Local Government
Department Heads-Up

Department Name: Health
Budget/Division Name: 5011/Preventive Health Services

Describe the first issue

Increased cost of birth control

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

Chatham County Public Health Department's goal is to reduce unintended or unplanned pregnancies and help reduce infant mortality and morbidity and poor outcomes often associated with them. Providing quality health care services to promote reproductive health for women and men includes offering a variety of birth control options. In August 2012, Title X funding for Family Planning services was reduced. In addition, the cost of birth control has increased and the health department has not received additional grants or funding to purchase birth control.

Are you currently considering any actions to address this issue?

Staff members have reviewed several grant opportunities and are monitoring opportunities to apply for additional funding. Clinical staff members work with NC Division of Public Health representatives on pricing available to assure receiving best available pricing, and are notified by the Women's Health Nurse Consultant when there are opportunities to take advantage of special pricing.

Describe the second issue

No state funding for immunizations

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

Effective October 1, 2012, most private providers are no longer allowed to provide Vaccine for Children (VFC) immunizations to underinsured children. In addition, the Centers for Disease Control (CDC) has eliminated federal funding for vaccinating insured patients in most circumstances and state vaccine can no longer be used for patients of any age that have insurance. These changes have resulted in an increased number of clients coming to the health department for vaccinations and the need to purchase additional vaccine. This makes our mission to fully immunize children and adults more difficult and requires us to purchase and store expensive vaccine to have on hand for clients not meeting the criteria for federally funded vaccine. Despite the actions taken by the department to address this issues, additional funds for vaccine is a need.

Are you currently considering any actions to address this issue?

We have developed a fee schedule for privately purchased vaccine for clients that self pay and have a plan in place to file for reimbursement from 3rd party payers (Medicaid and insurance). Reimbursement received often does not cover the cost of administering the vaccinations.

Chatham County Local Government
Department Heads-Up

Department Name: Parks and Recreation Department

Budget/Division Name:

Describe the first issue

The lease on the building for the recreation department will expire in 2016.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

The leased building is providing the permanent office space for staff, a meeting space for coaches and advisory committee, and indoor programming for art classes. The existing leased space is providing an accessible and visible facility for the citizens.

Are you currently considering any actions to address this issue?

In order to provide the existing indoor classes and to expand on those classes, we need to find a permanent space that will offer larger programming space and office space. The action is to request that county management find a space for the recreation department that would include permanent office spaces and large rooms for programming. Suggestions would be to build a new facility or to make improvements to an existing facility with the much needed indoor amenities.

Describe the second issue

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

Are you currently considering any actions to address this issue?

Chatham County Local Government
Department Heads-Up

Department Name: Planning

Budget/Division Name: Planning

Describe the first issue

Planning staff completed the first phase of an update to the Zoning Ordinance to switch from parallel conditional use zoning and conditional use permitting to conditional zoning. The second phase is an update of the remaining sections of the Zoning Ordinance. Staff discussed this with the commissioners during FY11-12 and intended to complete the updates internally; however several planning staff resigned to take new positions with other jurisdictions.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

Current staffing levels are not adequate to complete the update, and it would be more cost effective to work with a consultant to complete the work.

Are you currently considering any actions to address this issue?

Staff is working to estimate the cost to contract with a consultant to complete the Zoning Ordinance revisions in the FY 2014 operating budget.

Describe the second issue

Planning, Central Permitting, and Environmental Health staff have been working together to improve customer service with specific emphasis on permitting and payments. Additional equipment, such as a large format scanner, would assist in improving customer service by allowing staff to scan and upload documents to the new permitting software.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

This will improve customer service and allow staff faster access to necessary documents.

Are you currently considering any actions to address this issue?

Some documents have been scanned, but it would be more efficient to have a large format scanner in the Dunlap Building for multiple departments to use. We currently use the large format scanner in the tax office.

Chatham County Local Government
Department Heads-Up

Department Name: Sheriff's Office

Budget/Division Name: 3010 / Sheriff

Describe the first issue

The increase in the number of deputies in the Sheriff's Office has resulted in an increased administrative workload.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

A part-time employee has been working 40 hours per week to handle the increased work load. She has been working a 40-hour week since February 2012.

Are you currently considering any actions to address this issue?

We want to increase this part-time employee to full-time in the FY 2014 operating budget.

Describe the second issue

The number of cases requiring investigation has increased significantly. Breaking and entering and larceny cases have increased 9%, from 422 in 2010 to 489 in 2011. Data for 2012 is not yet complete.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

Investigators are carrying an average workload of 103 cases a year, and this overload lengthens the time required to solve each case. Solvability decreases. All investigators are working at least 8 hours of overtime a pay period on average. Two new investigators are needed to make the workload per investigator manageable.

Are you currently considering any actions to address this issue?

We want to add 2 investigators in the FY 2014 operating budget.

Chatham County Local Government
Department Heads-Up

Department Name: Tax Administration

Budget/Division Name: All Budgets

Describe the first issue

The entire Assessor's Office will be impacted by the increased workload for the 2015 revaluation. The major increase will be in the Appraisal division, but the Listing and Land Records divisions will also be impacted.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

Chatham County performs an in-house revaluation, utilizing staff for the majority of the work. Performing an in-house revaluation is a major task, especially in today's economy. While the use of Pictometry software will help ease some of the burden, the revaluation project will add to the current workload across divisions. The additional workload will require careful monitoring to ensure that the quality of service and staff morale is not negatively affected by the increased workload.

Are you currently considering any actions to address this issue?

Cross-training of staff will help to meet the demands of revaluation. The listing division will assist with the Pictometry data reviews while maintaining their daily workload and transitioning into the new Tag & Tax system. These reviews will increase the workload in the listing division for the next two years. The one staff member in the Land Records Division is responsible for processing all deeds and surveys but will also have to maintain the study for the sales ratio, which is very time-consuming and requires valuable attention. This task is important in developing the schedule of values for 2015 revaluation, so the need for a temporary employee may be needed to assist with some of the responsibilities in the Land Records Division to insure that all transfers are completed in a timely manner.



Chatham County Local Government
Department Heads-Up

Department Name: Tax Administration

Budget/Division Name: Collections and Listings

Describe the first issue

Implementation of new Tag and Tax system.

How does the issue impact your department? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

From July, 2013 through October, 2013 we will be operating dual billing systems for motor vehicles. One staff person from Collections is being cross trained to assist with billing during that time. We will modify our schedules so that the work load will be redistributed. The Listing division has been updating and maintaining situs addressing for the statewide implementation. This is scheduled to go live July 1, 2013. Key staff members will be attending statewide training during our busiest months of January and February. The workload for the Listing division will increase due to training and maintaining two systems and assisting the public with the transition to the new system and the 2013 listing period.

Are you currently considering any actions to address this issue?

For Collections, the schedules of the others in the department will be altered in order to continue to provide the same level of service provided by our office. After the initial six months of dual billing has passed, the work load will be reduced. Each year the number of bills for delinquent RMV taxes will be reduced as we collect those past due bills. Further cross training of other staff may occur at that time to reduce the burden of the work load in other divisions caused by added responsibilities of revaluation. For Listings, our files have been converted to the statewide system. We have also included inserts regarding the change with our monthly motor vehicle billing. Our website has also been updated to include a Q&A Brochure. We have also hired a temporary employee to assist with data entry, phone calls, etc. during the 2013 Listing period.

**Chatham County Local Government
Department Heads-Up**

Department Name: Chatham County Schools

Describe the first issue

The school system continues to face budgeting issues as we move forward in the planning process for 2013-2014. We are looking at an 8.2% reduction in federal funding through sequestration and continued discretionary reductions from the state of NC. Coupled with our increasing average daily membership, the funding reductions present even greater challenges.

How does the issue impact the Chatham County School System? (Consider mission, work load, staffing, morale, customer service, federal or state mandates, etc.)

The loss in funding will result in a continuation budget deficit. Chatham County's financial support in FY13 along with appropriating fund balance kept us from experiencing a major reduction in our workforce and services offered to our students. The [attached document](#) provides additional financial details concerning the budget process for fiscal year 2013-2014.

Are you currently considering any actions to address this issue?

As we move through the 2013-2014 budget process, the board will discuss options and listen to stakeholder feedback about possible solutions to the budgeting issues we are currently experiencing.

BREAK

The Chairman called for a short break.

FINANCIAL INDICATORS

Ms. McConnell gave an overview of Financial Indicators in a PowerPoint as follows:

Financial Indicators

Introduction:

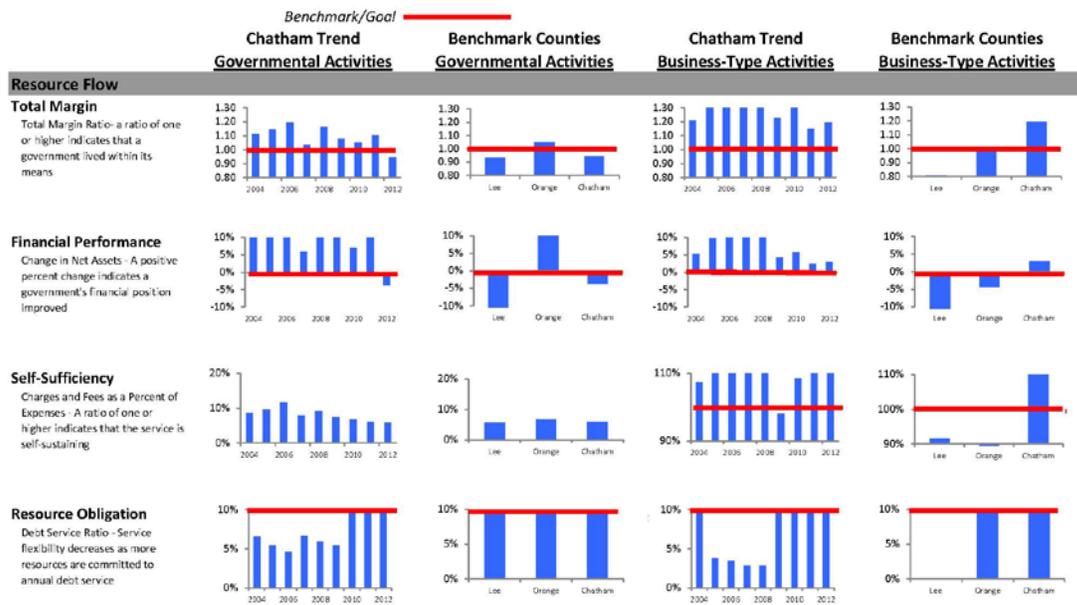
- Based on a model produced by School of Government budget and finance faculty
- Provides for a measure of financial health that can be easily compared with other counties
- The model is designed to help us answer questions, such as:
 - Can we meet our obligations?
 - Can we continue to provide services?
 - Can we meet unexpected problems?
 - Do we have financial flexibility?

About the Benchmark Counties:

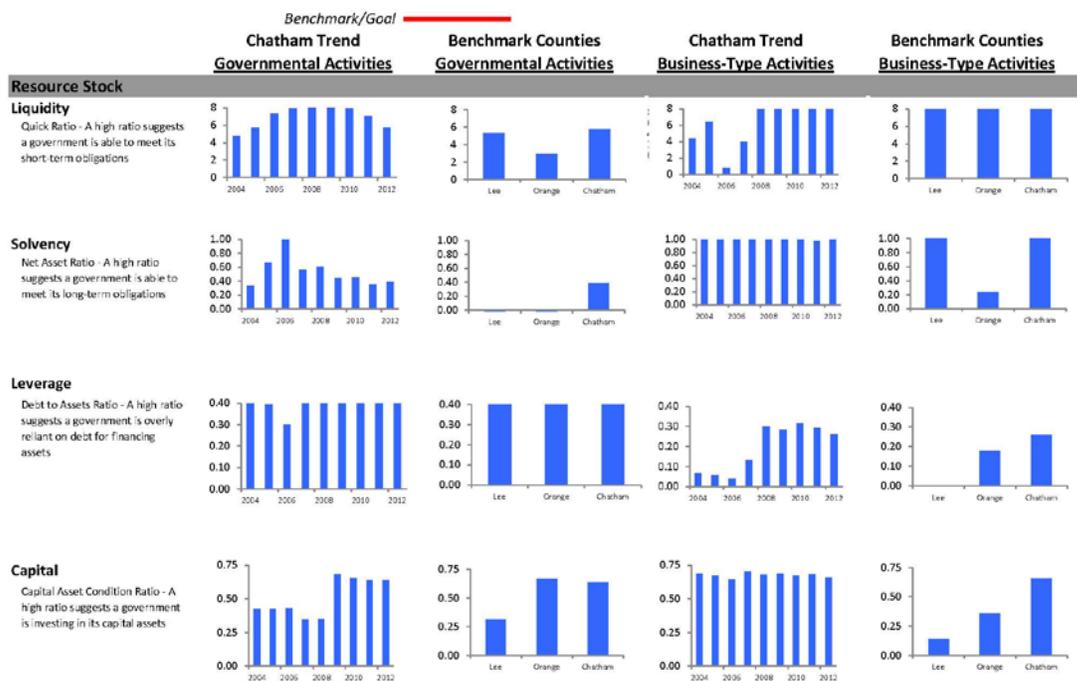
Chosen because of proximity and similarity to Chatham. Figures below are for FY 2012-2013, unless otherwise noted. (Moore County is not included because audit information was not available).

	Chatham	Lee	Orange
Budgeted Expenditures	\$88,171,931	\$63,082,264	\$180,002,776
<i>State Rank</i>	31	46	12
Nonschool Expenditures	\$54,535,940	\$38,903,139	\$95,535,243
<i>State Rank</i>	35	51	15
Effective Tax Rate	\$0.6509	\$0.7362	\$0.9022
<i>State Rank</i>	53	29	7
2011 Population	64,553	58,304	135,776
<i>State Rank</i>	40	48	21
Valuation/capita	\$138,578	\$81,555	\$117,071
<i>State Rank</i>	15	53	32
2011 Per Capita Income	\$48,191	\$32,815	\$48,683
<i>State Rank</i>	2	36	1
Total Funding Per Student	\$4,148	\$2,453	\$5,298
<i>State Rank</i>	5	30	2
Number of Students	8,109	9,857	19,549
<i>State Rank</i>	50	39	23

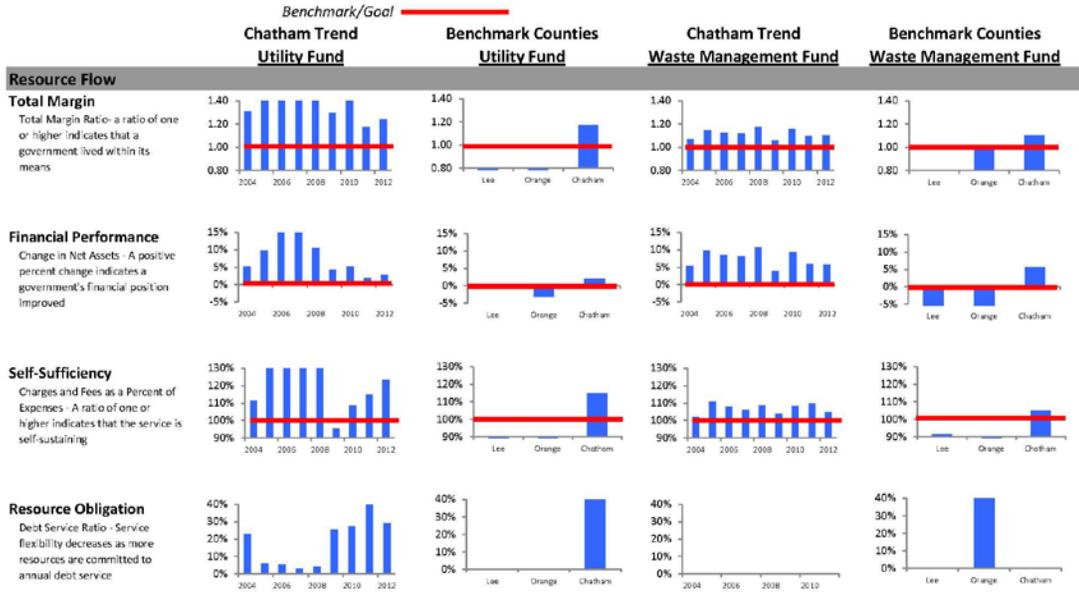
Financial Condition Assessment at Government-Wide Level



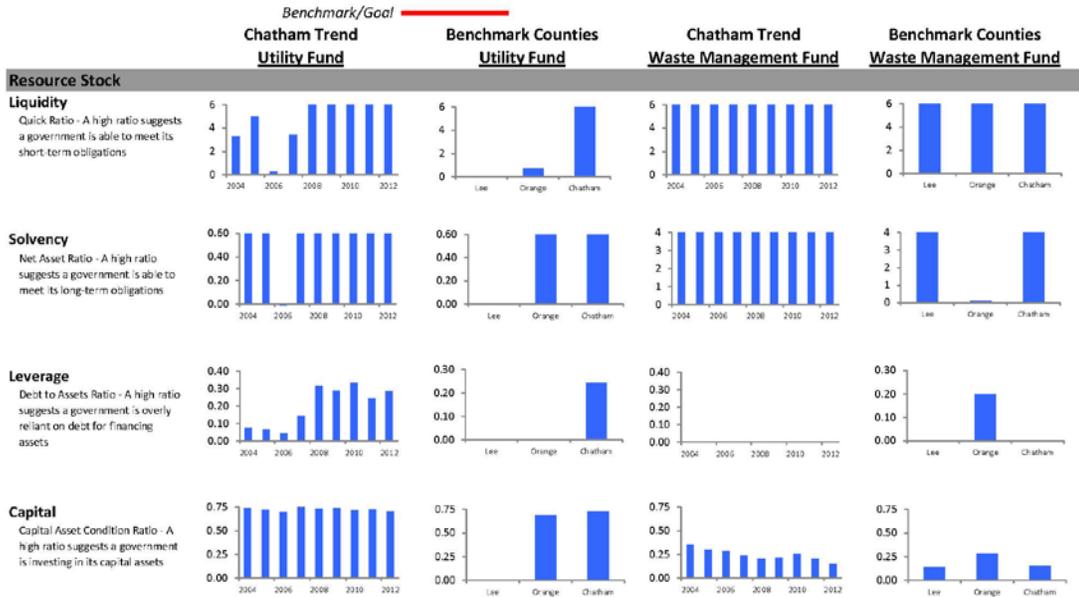
Financial Condition Assessment at Government-Wide Level



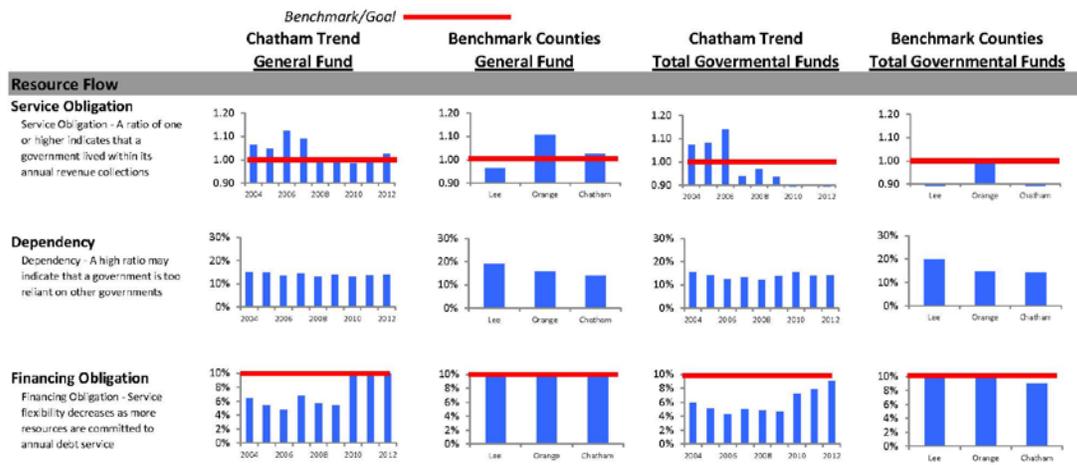
Financial Condition Assessment for Enterprise Funds



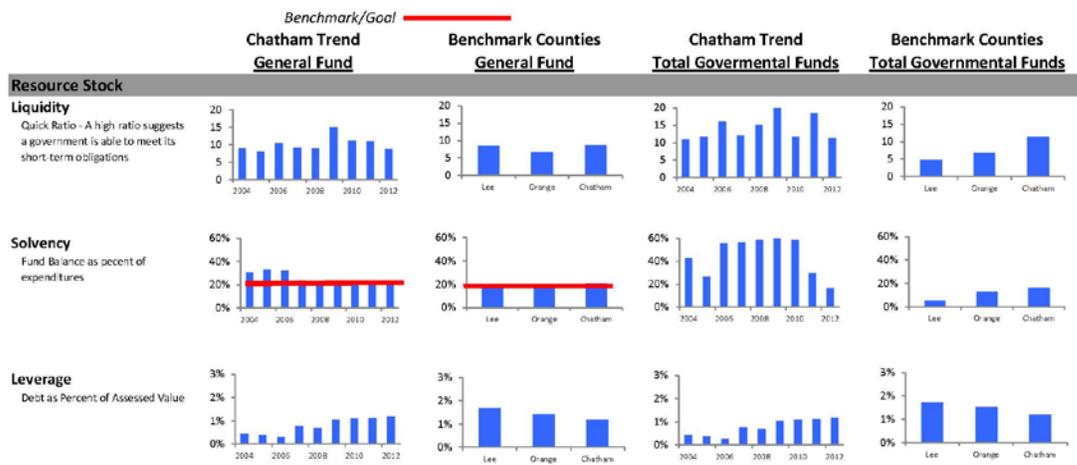
Financial Condition Assessment for Enterprise Funds



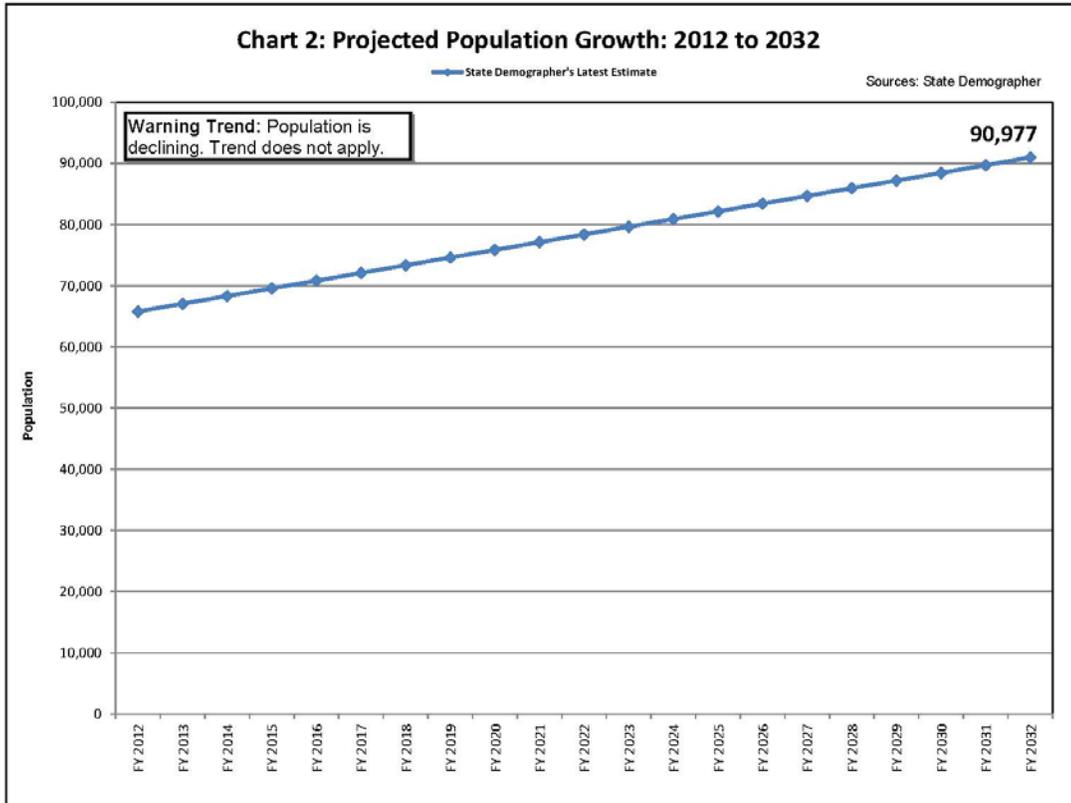
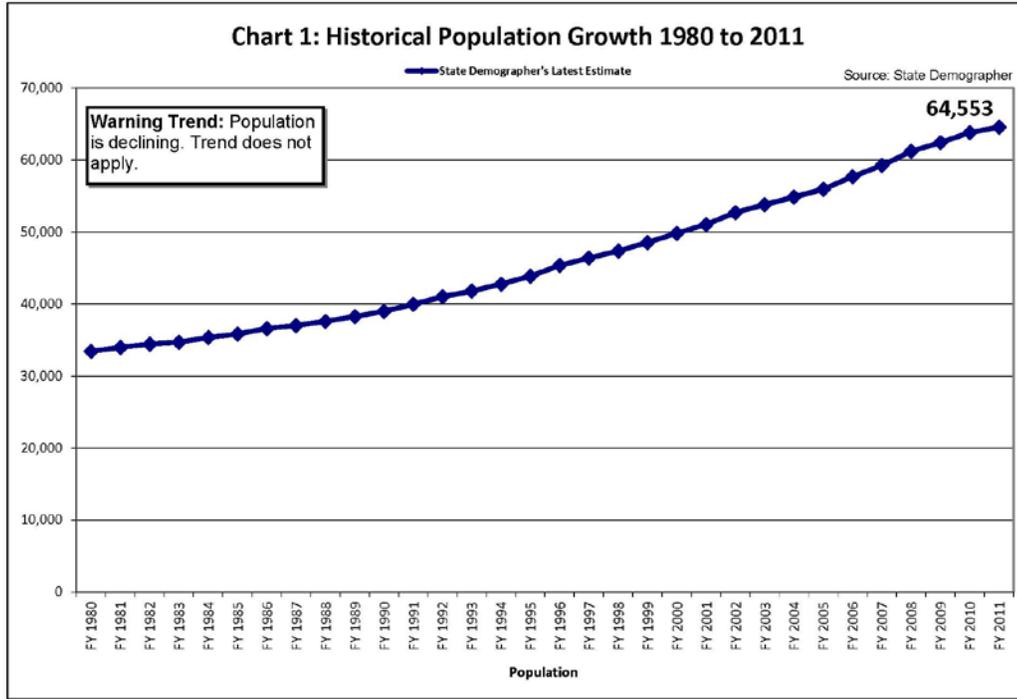
Financial Condition Assessment for Governmental Funds

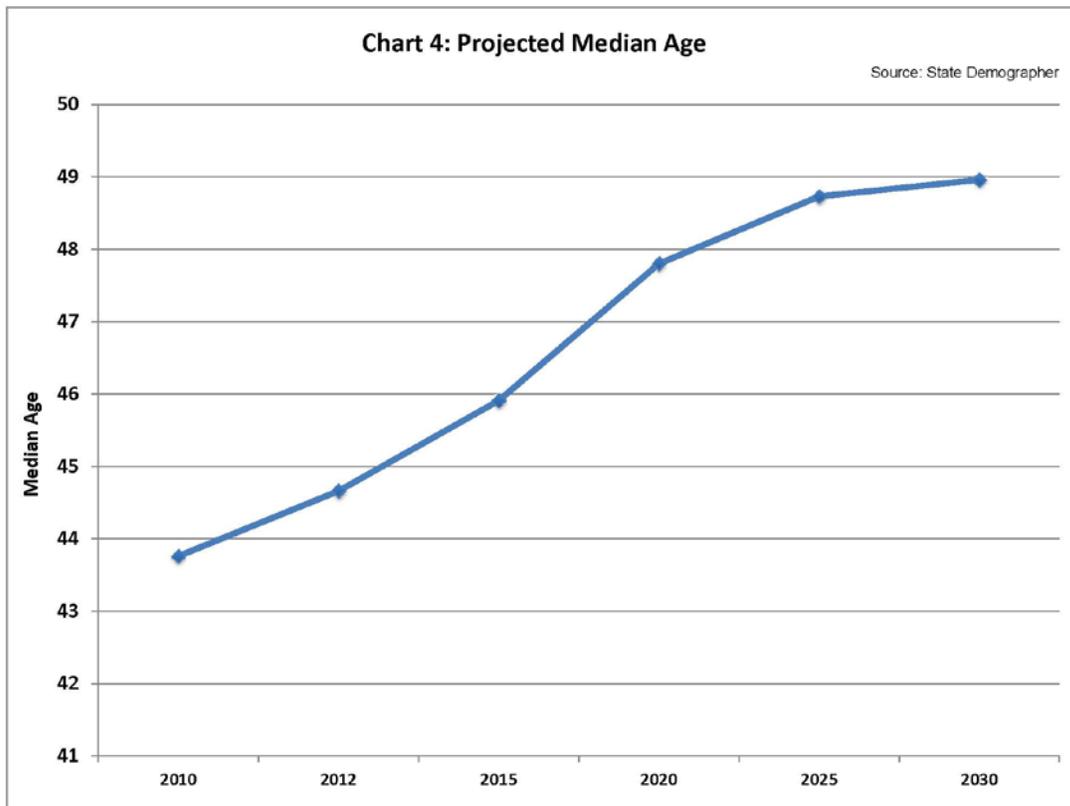
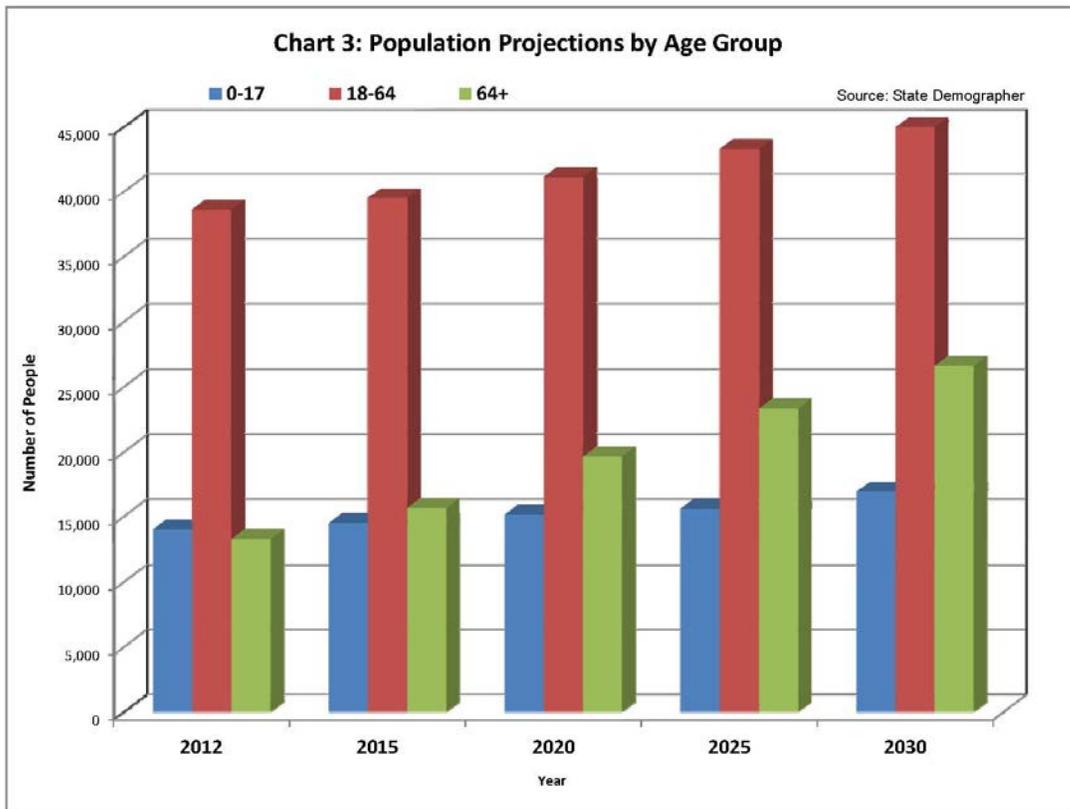


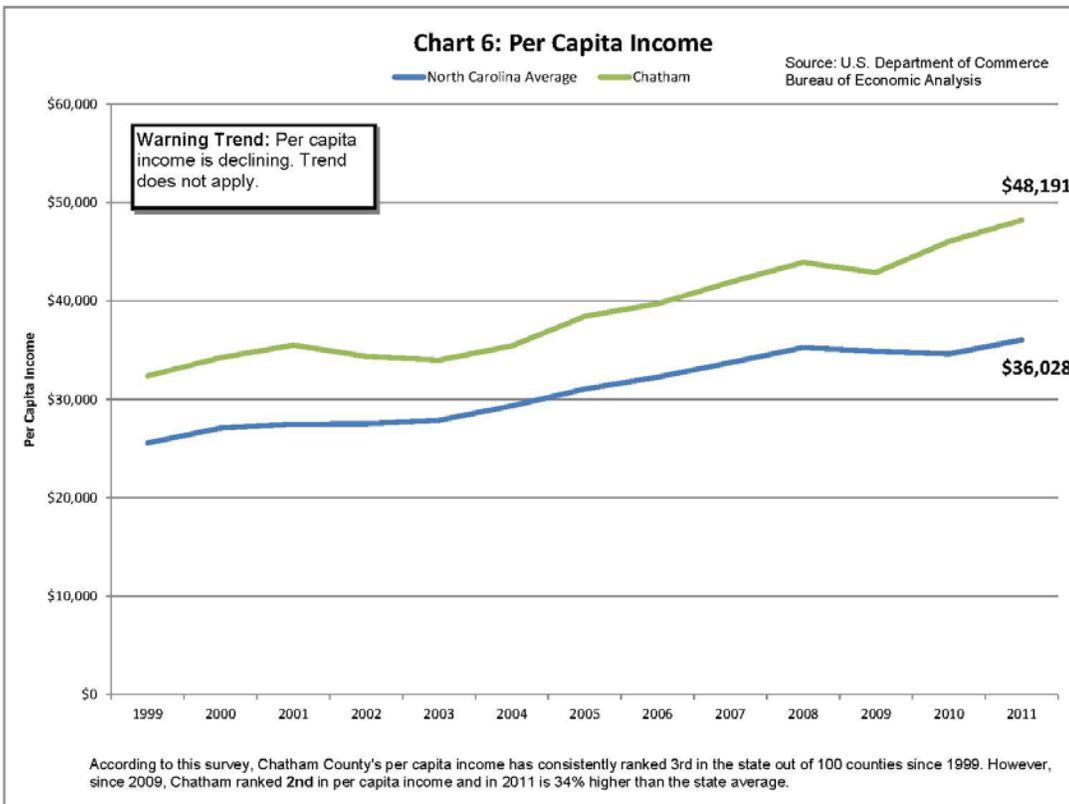
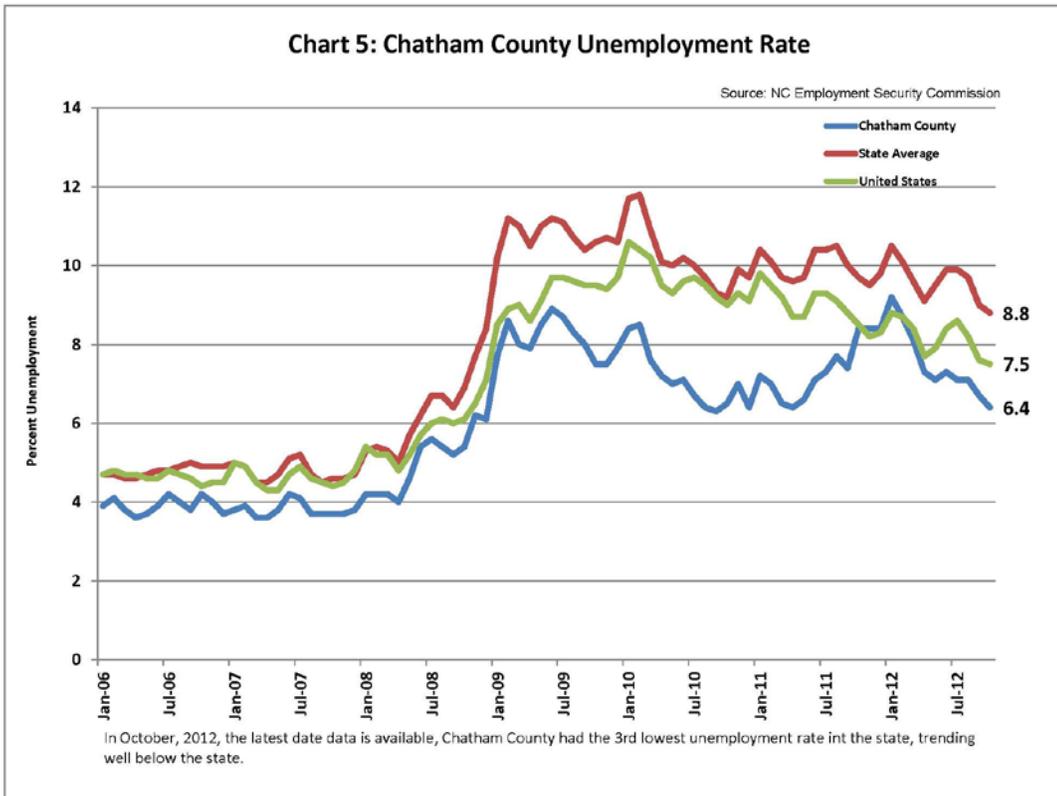
Financial Condition Assessment for Governmental Funds

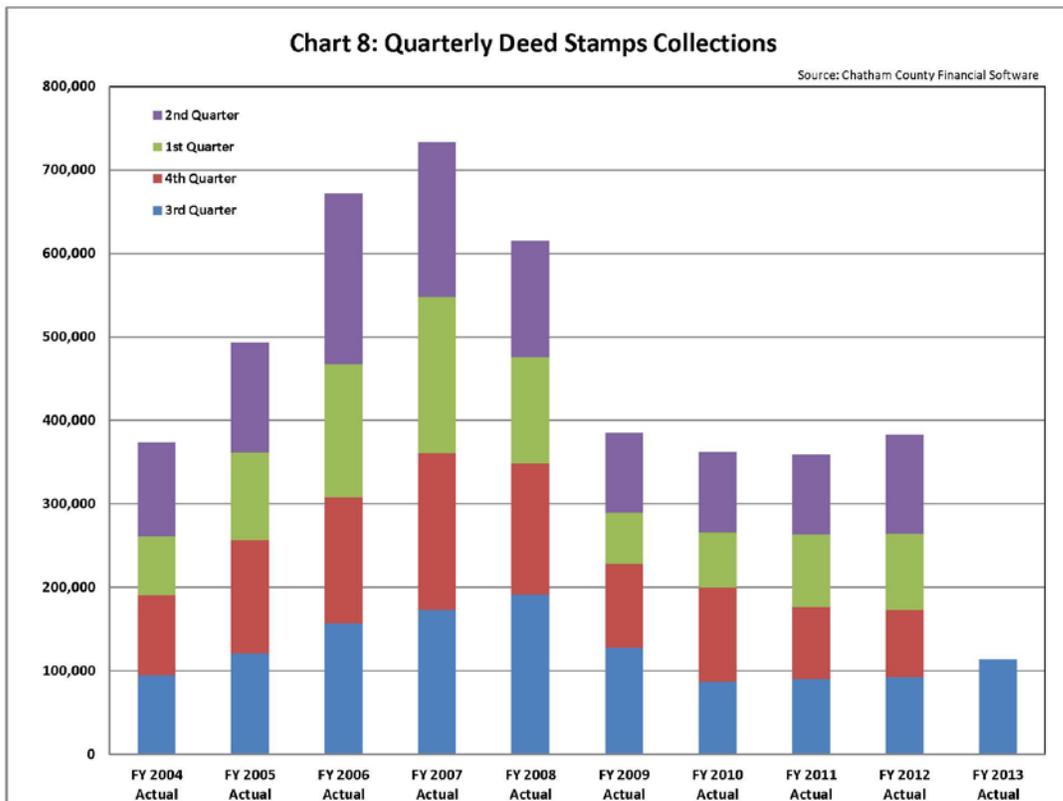
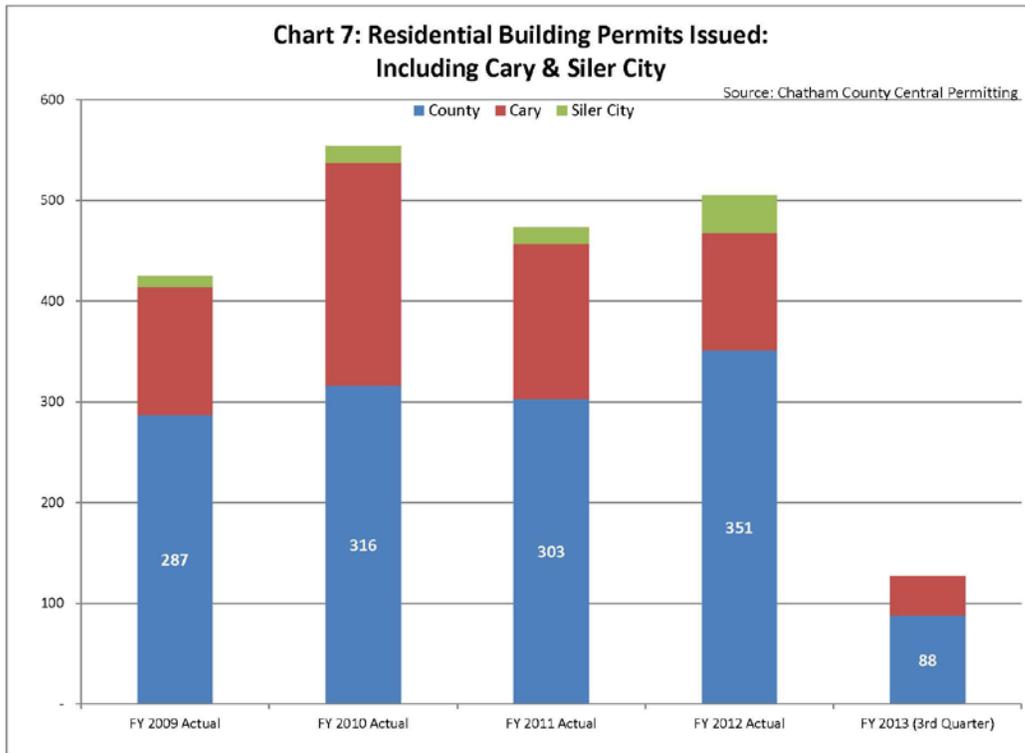


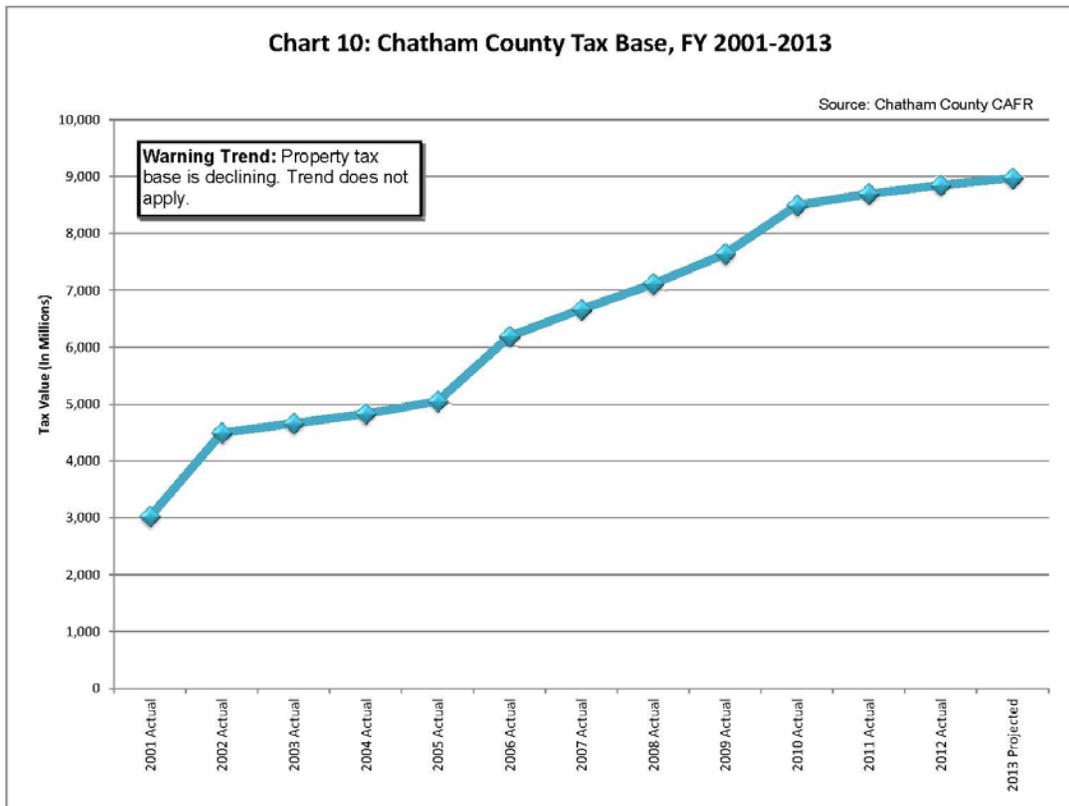
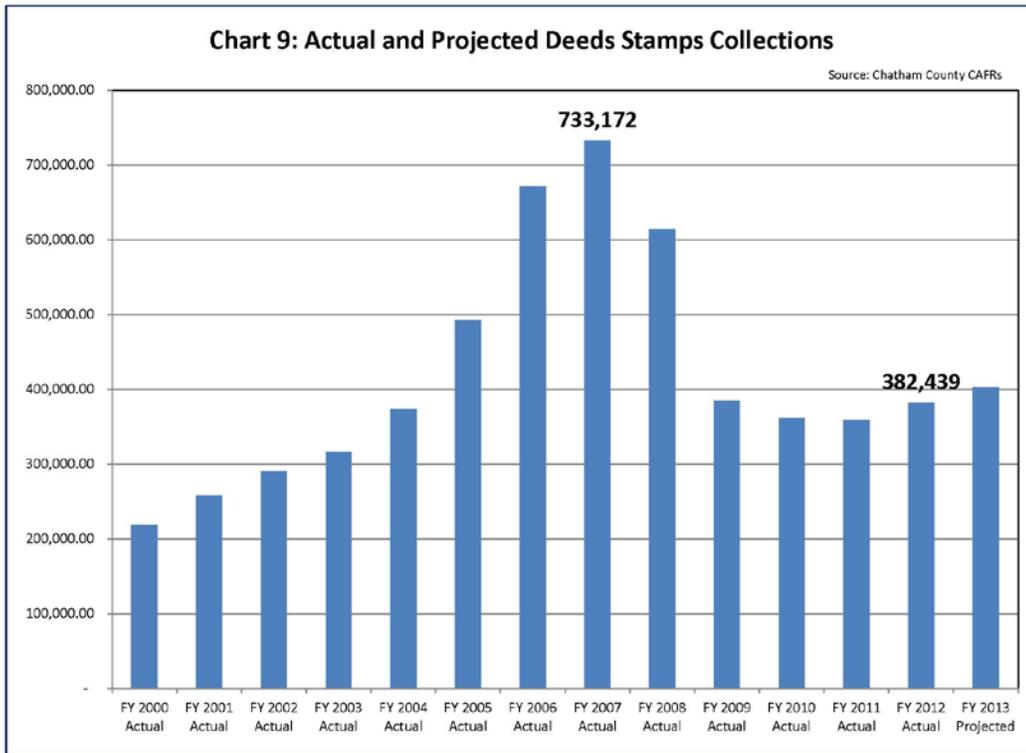
Ms. Paschal reviewed population trends as follows:

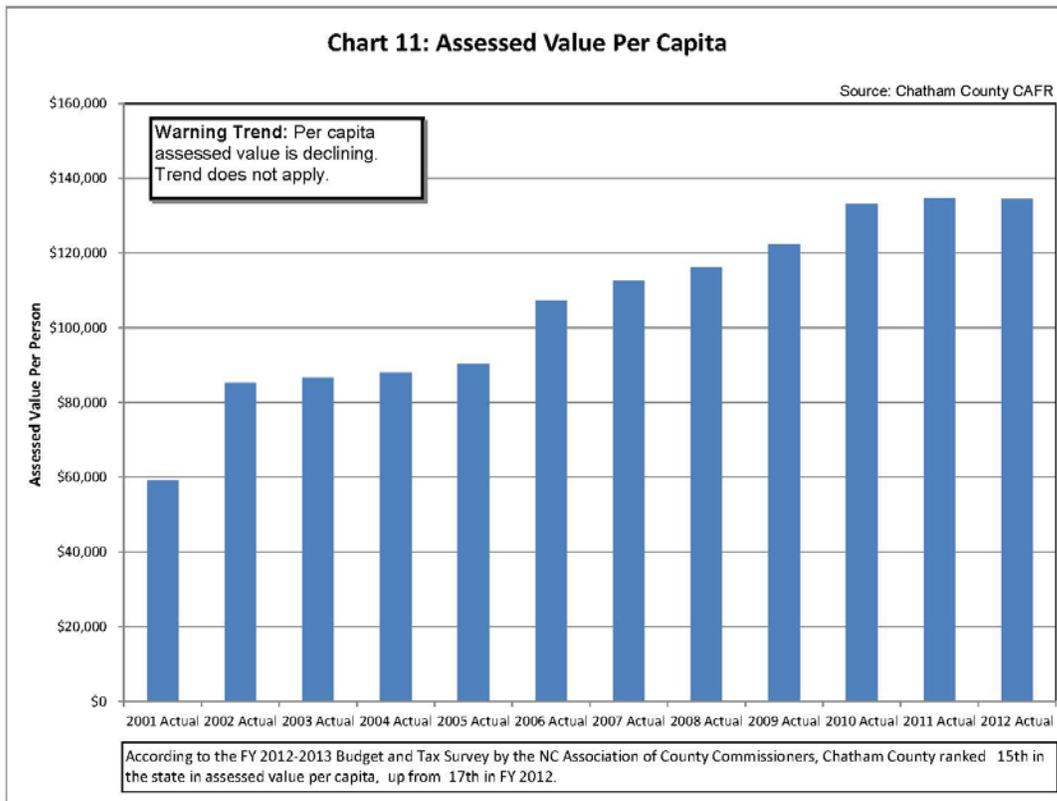












Tax Rate Information for FY 2012-2013

- 62.19 cents/\$100 in property value
- Unadjusted rate ranks 55th in the state (the statewide average rate is 62.15 cents)
- The effective tax rate of 65.09 (which takes into account market value of property) ranks 53rd in the state (the statewide average is 64.64)

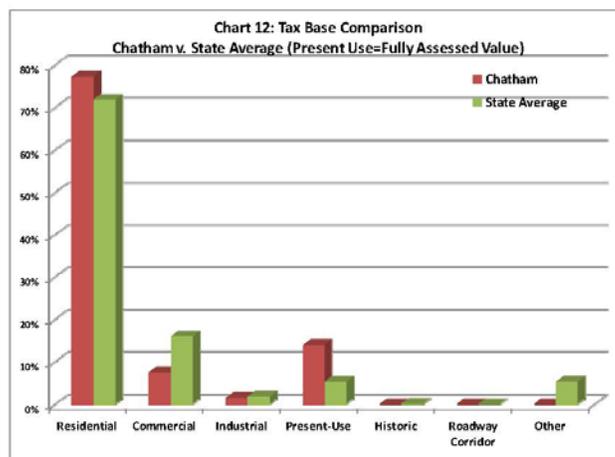
Source: North Carolina Association of County Commissioners Tax Rate Survey.

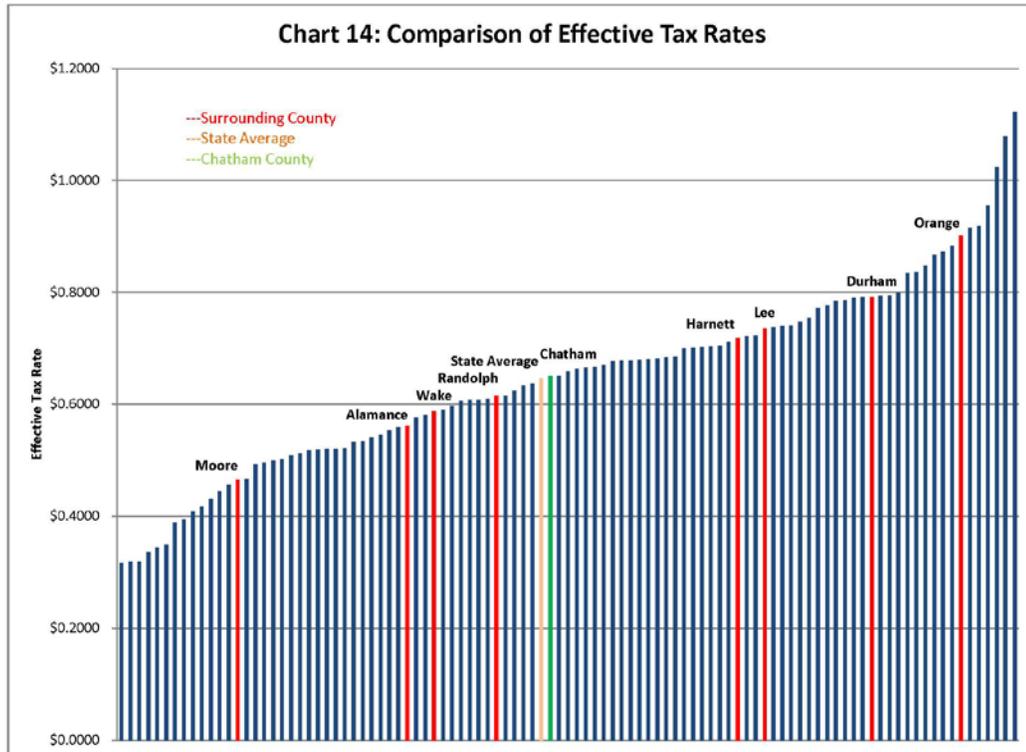
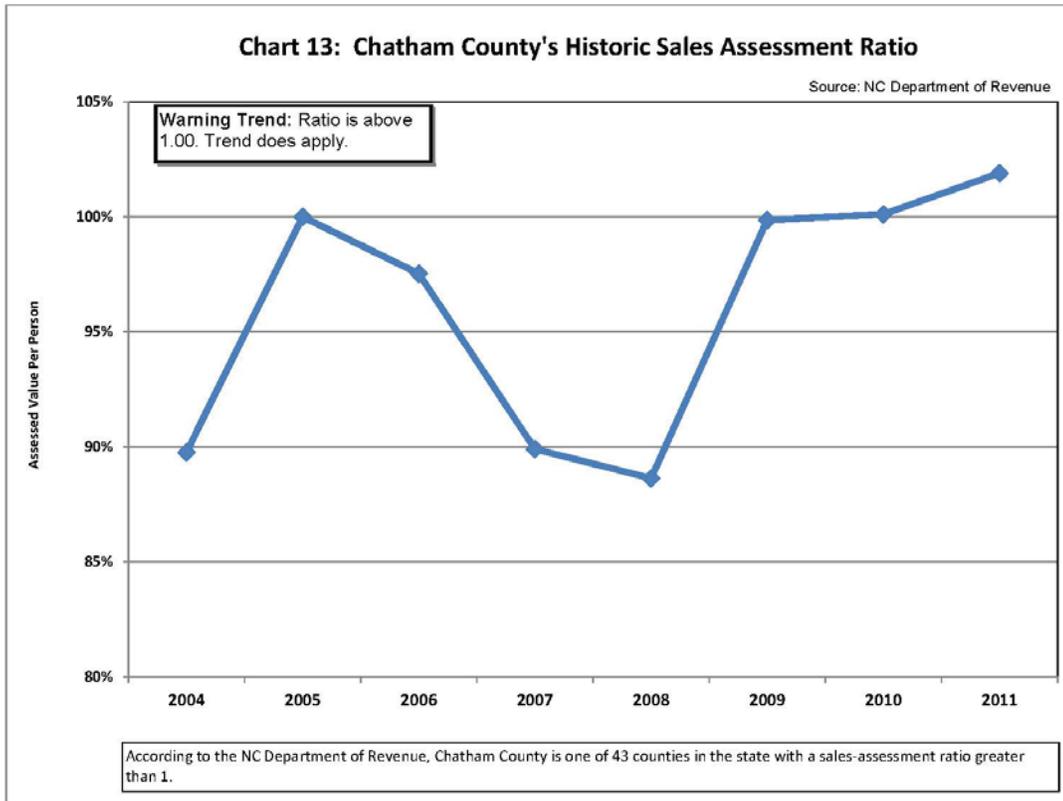
Tax Base Information for FY 2011-2012

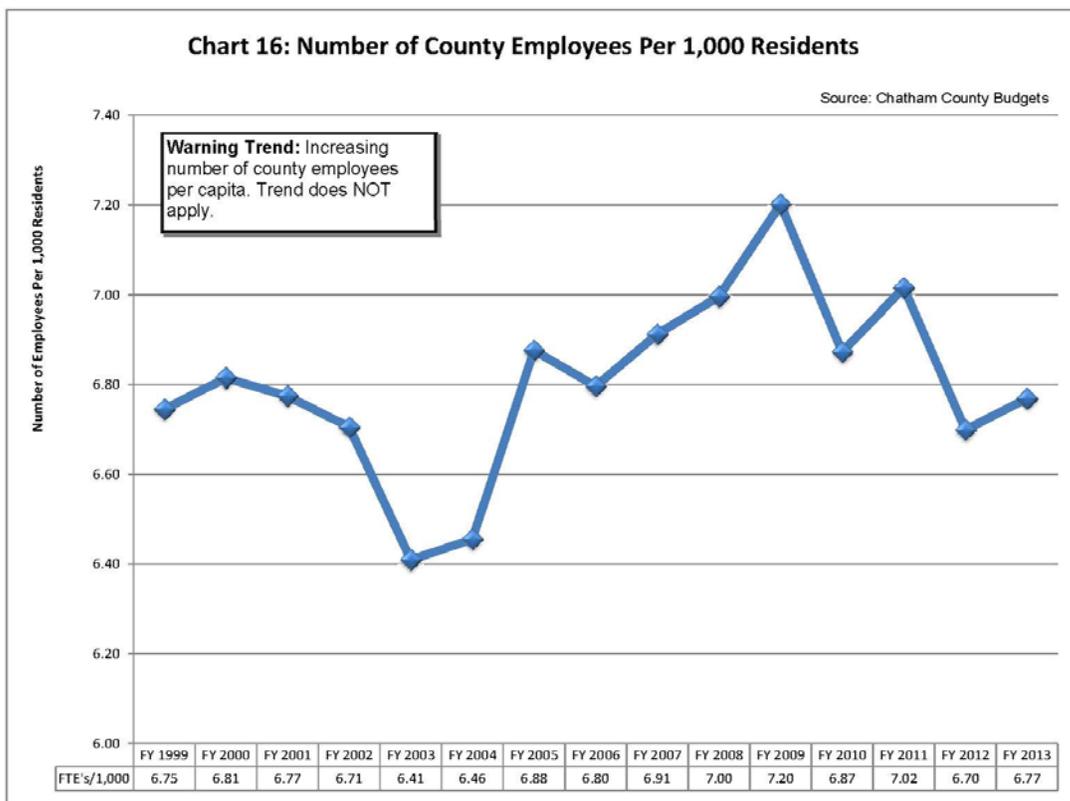
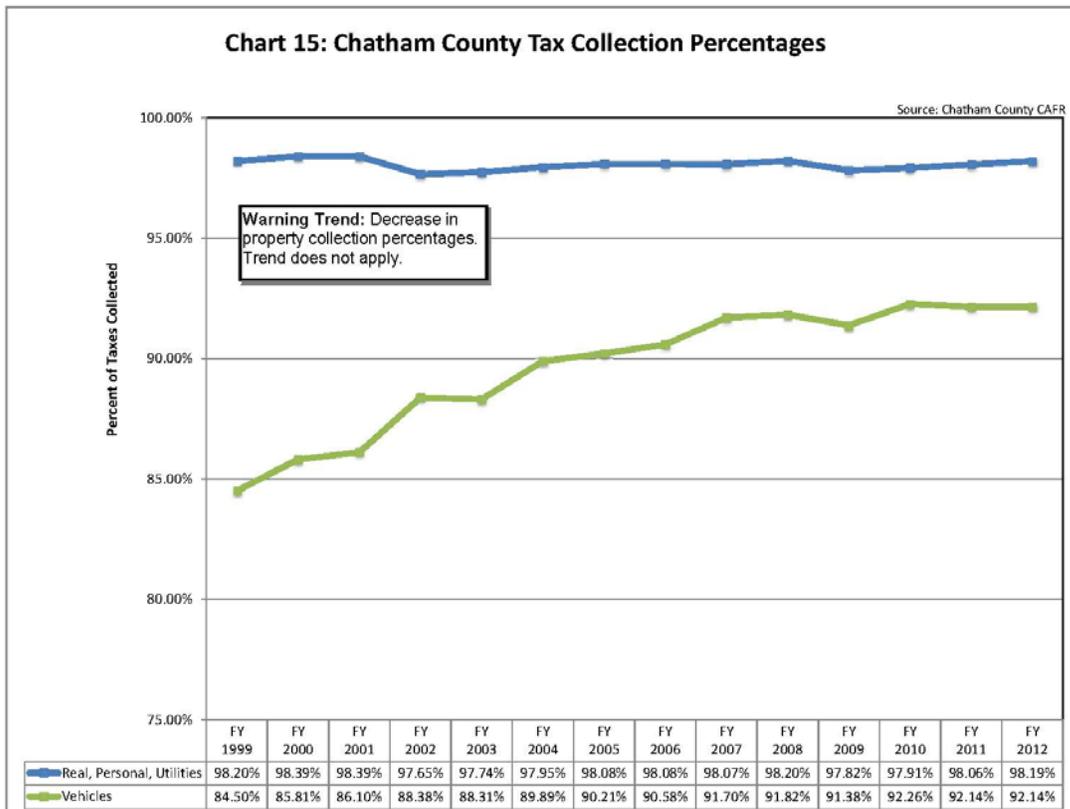
77% of Chatham County's tax base is residential; 7% is commercial; 1% is industrial; and 14% is present use (when the fully assessed value of present use is considered)

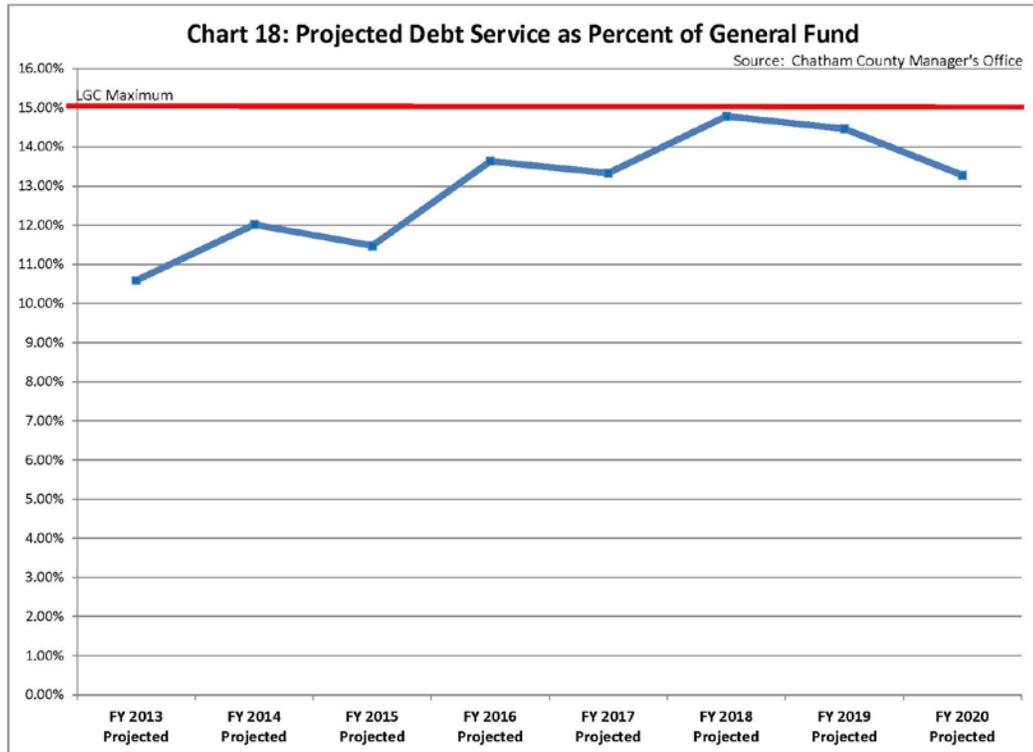
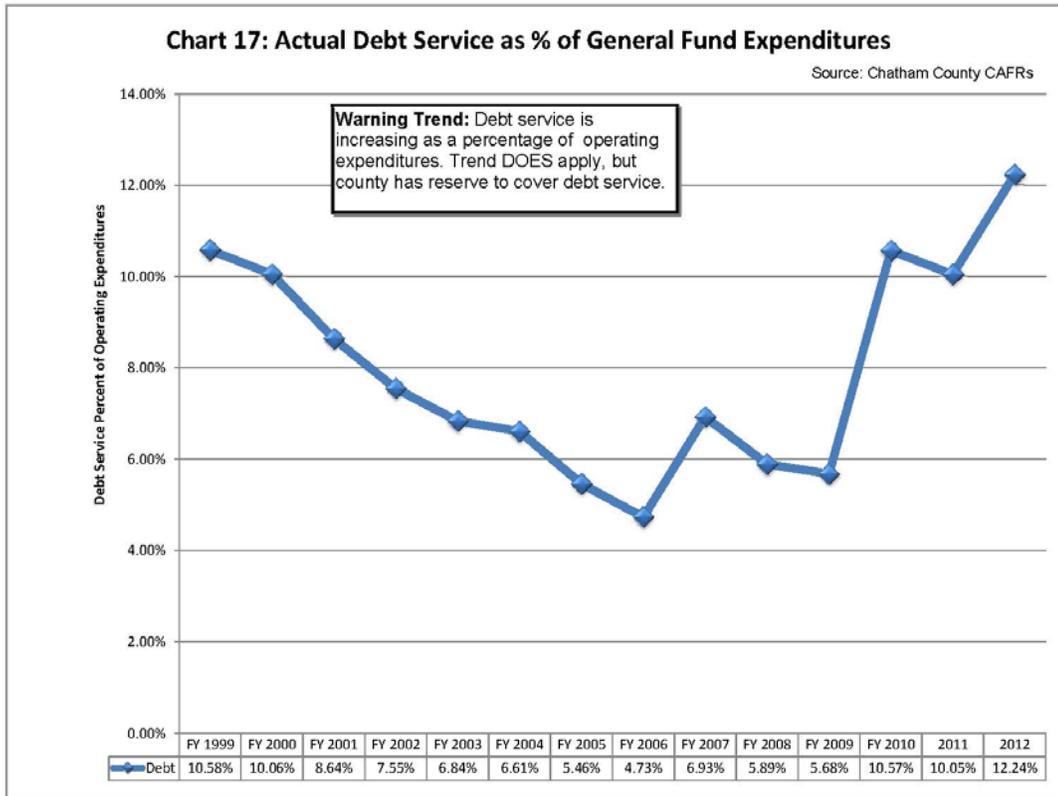
In comparison of counties reporting statewide, 72% of the tax base is residential; 16% is commercial; 2% is industrial; 5% is present use, and 5% is other.

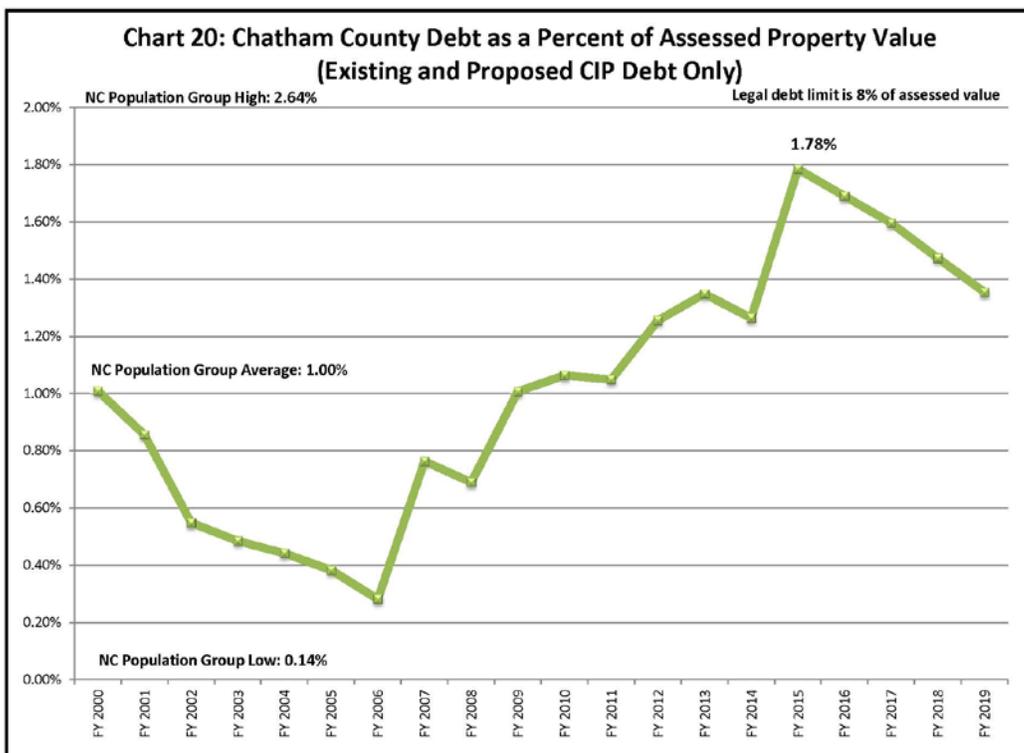
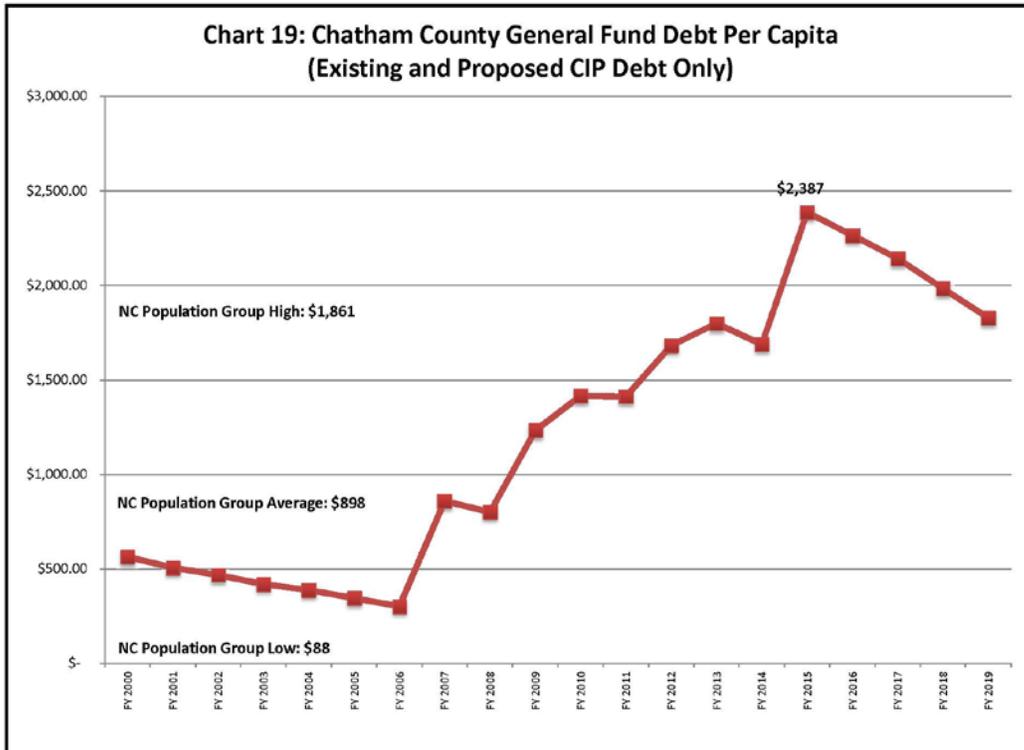
Source: NC Department of Revenue, Tax Research Division

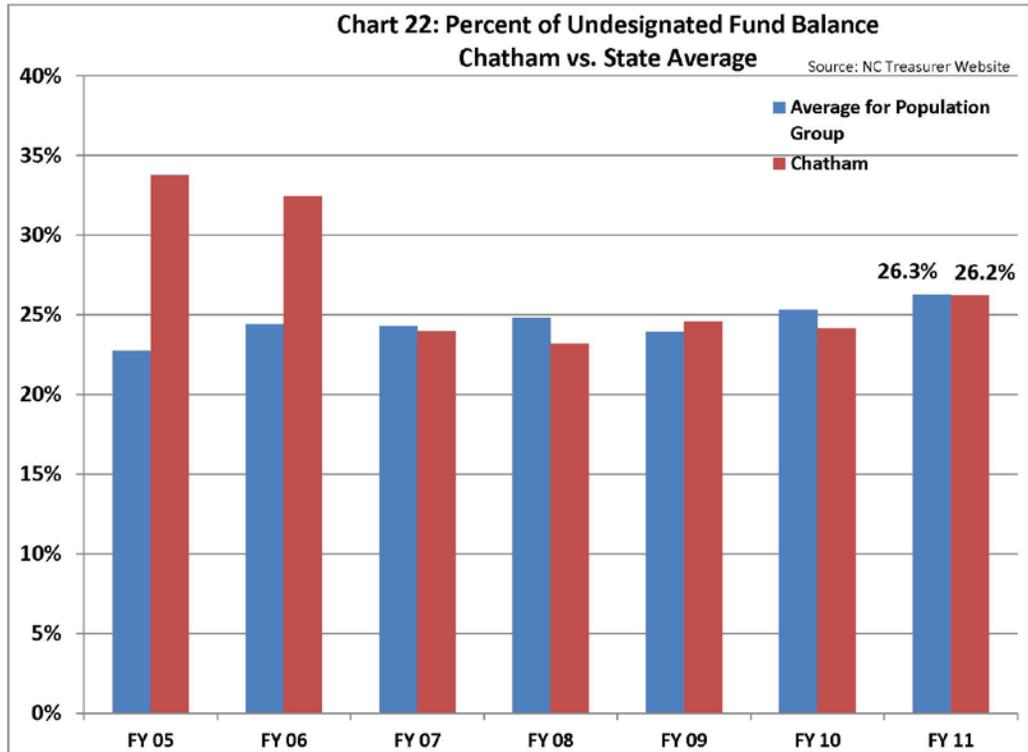
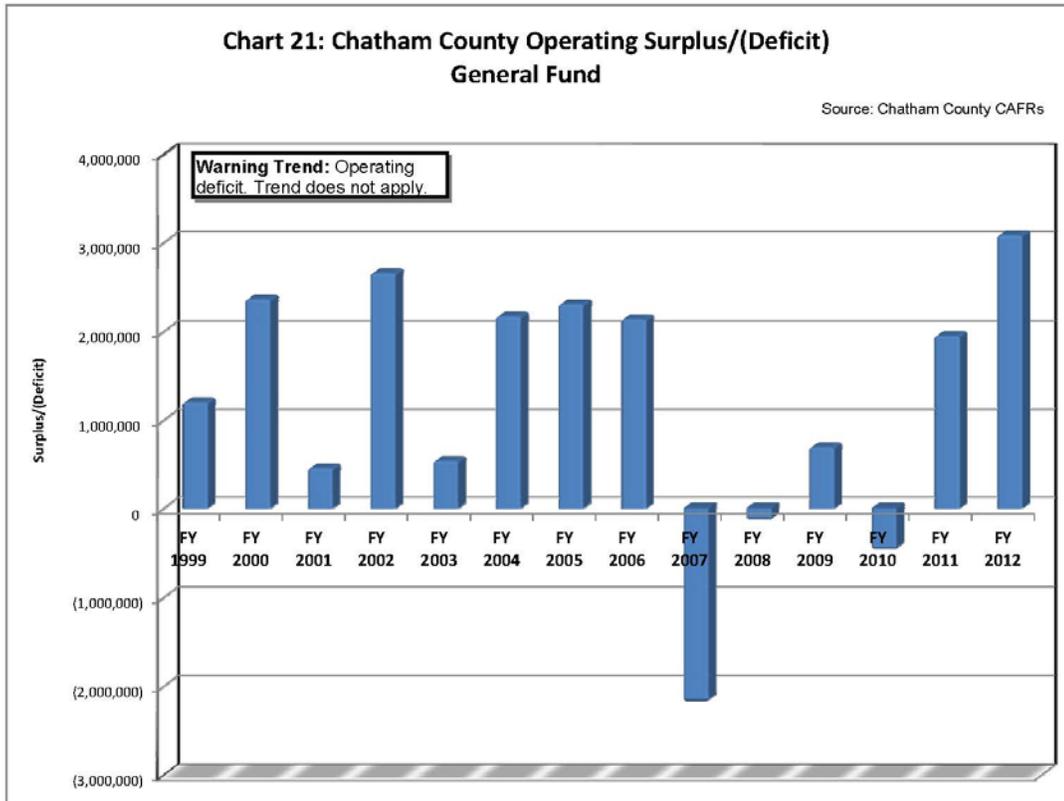


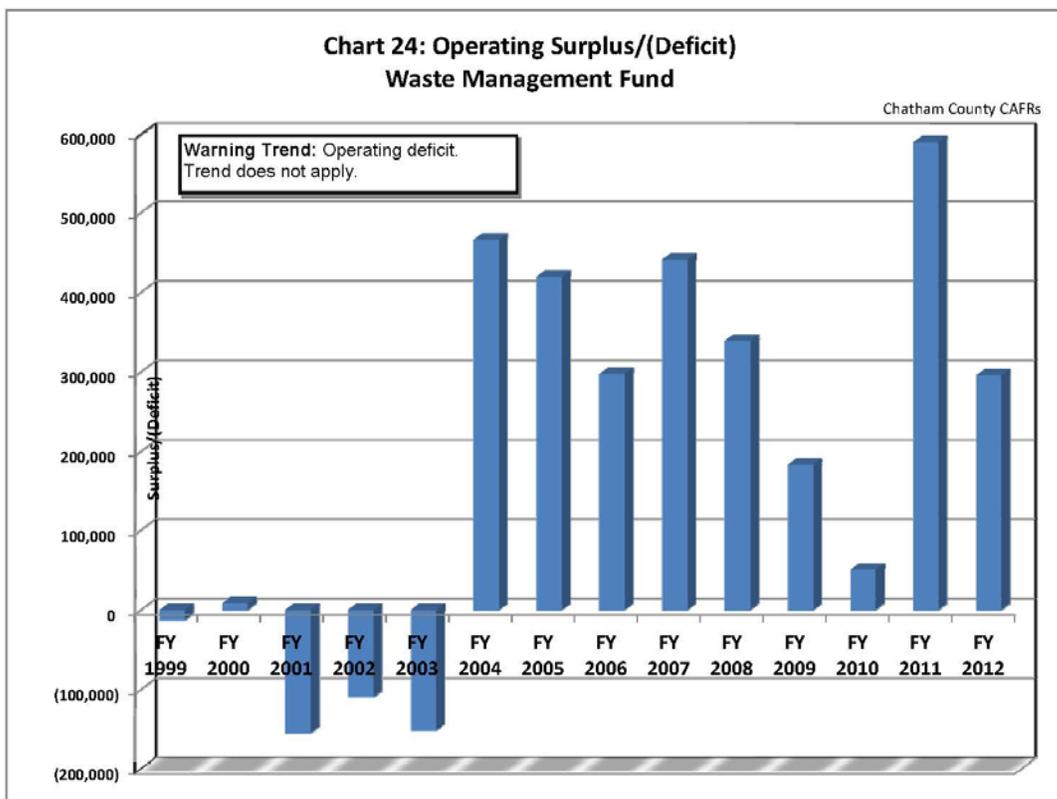
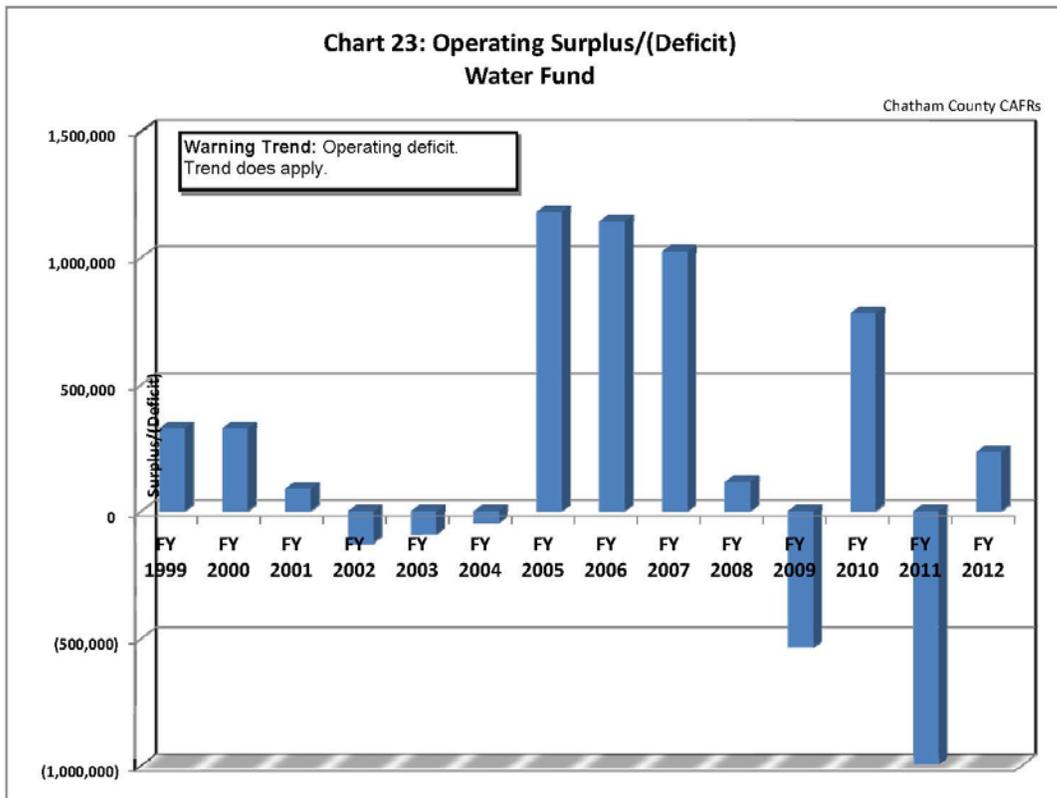


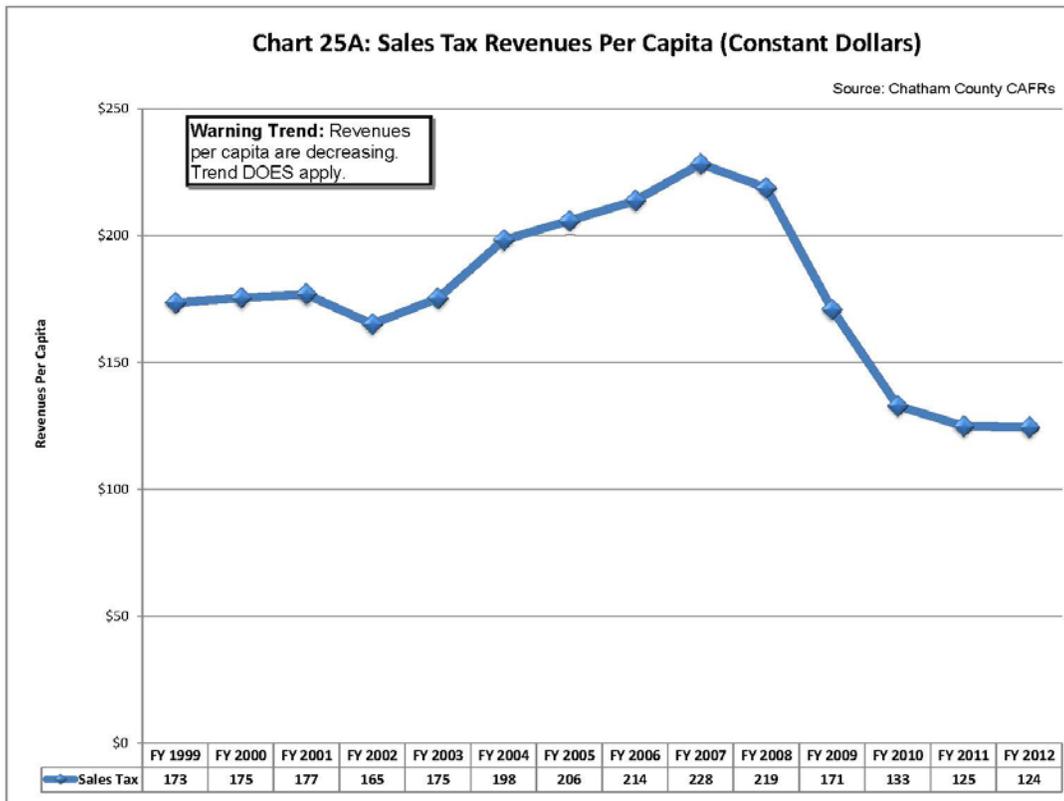
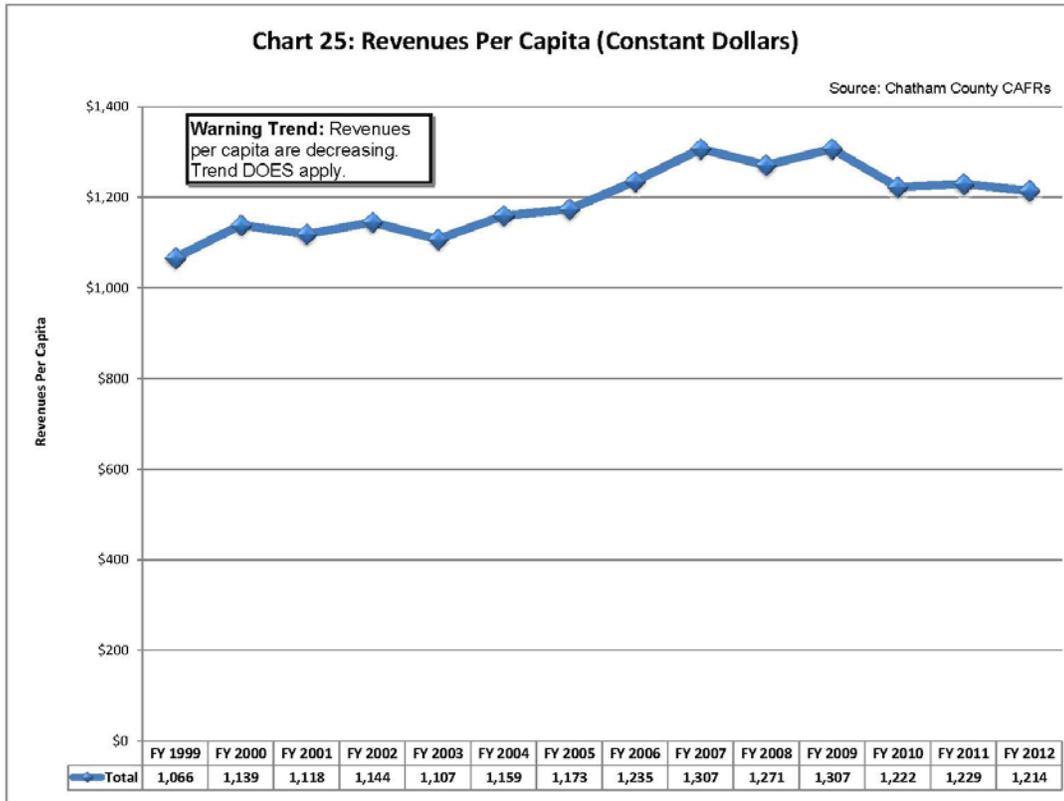


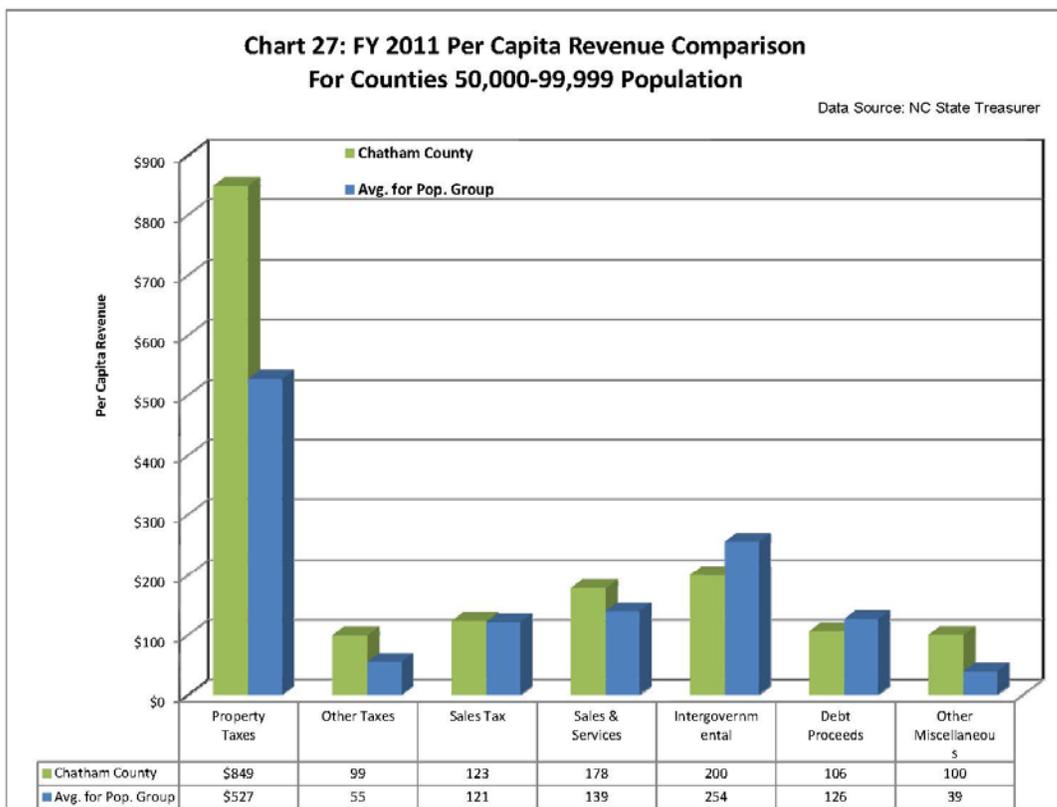
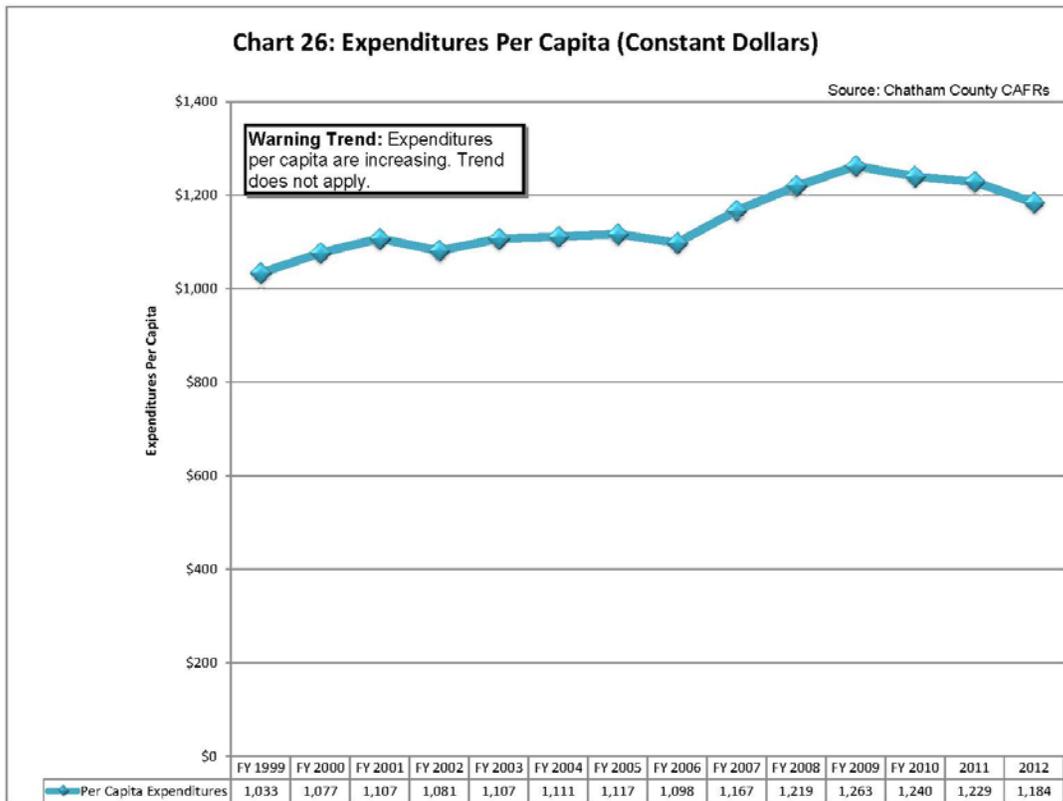












Explanation of Per Capita Revenues (from State Treasurer)

Property Tax - collections of current year and prior year unit-wide tax levies; interest on delinquent taxes; late listing penalties; and other costs of collecting delinquent taxes.

Other Tax - collections of taxes from special tax districts; animal taxes; deed stamp excise taxes; real property transfer taxes; scrap tire disposal taxes; local occupancy taxes; prepared food taxes; 911 charges; white goods disposal tax; and privilege and other license taxes.

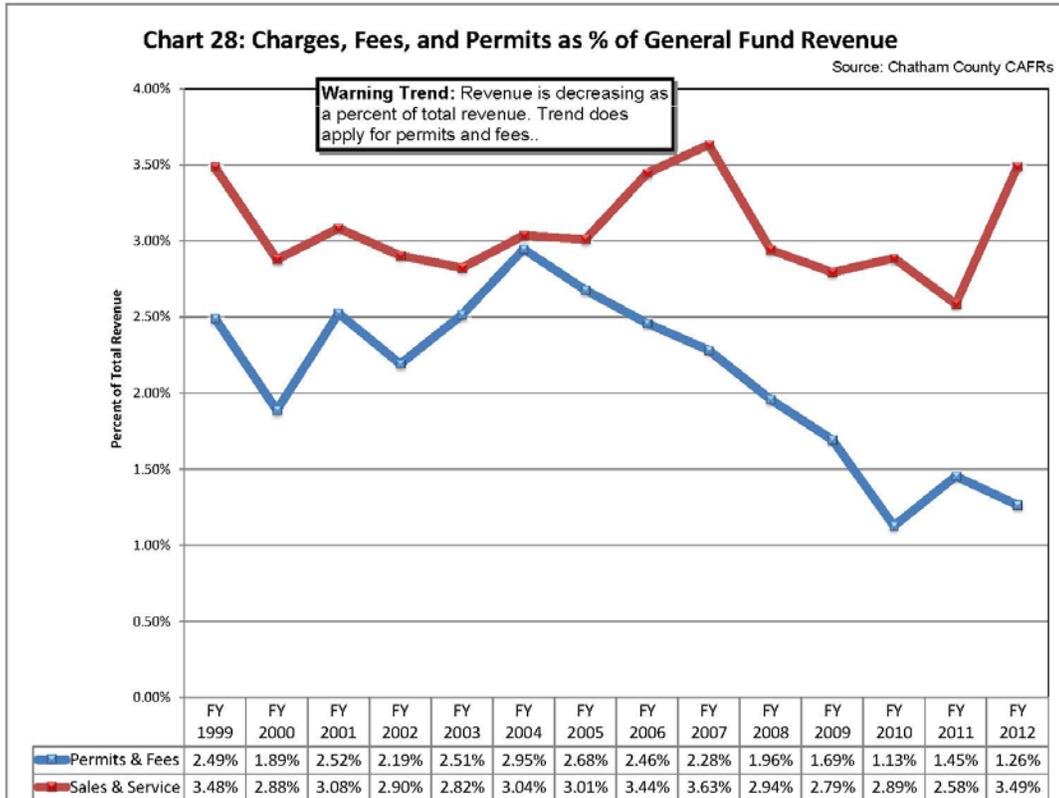
Sales Tax - collections of the one percent local option sales tax and both of the one-half of one percent local option sales taxes (Article 40 and 42).

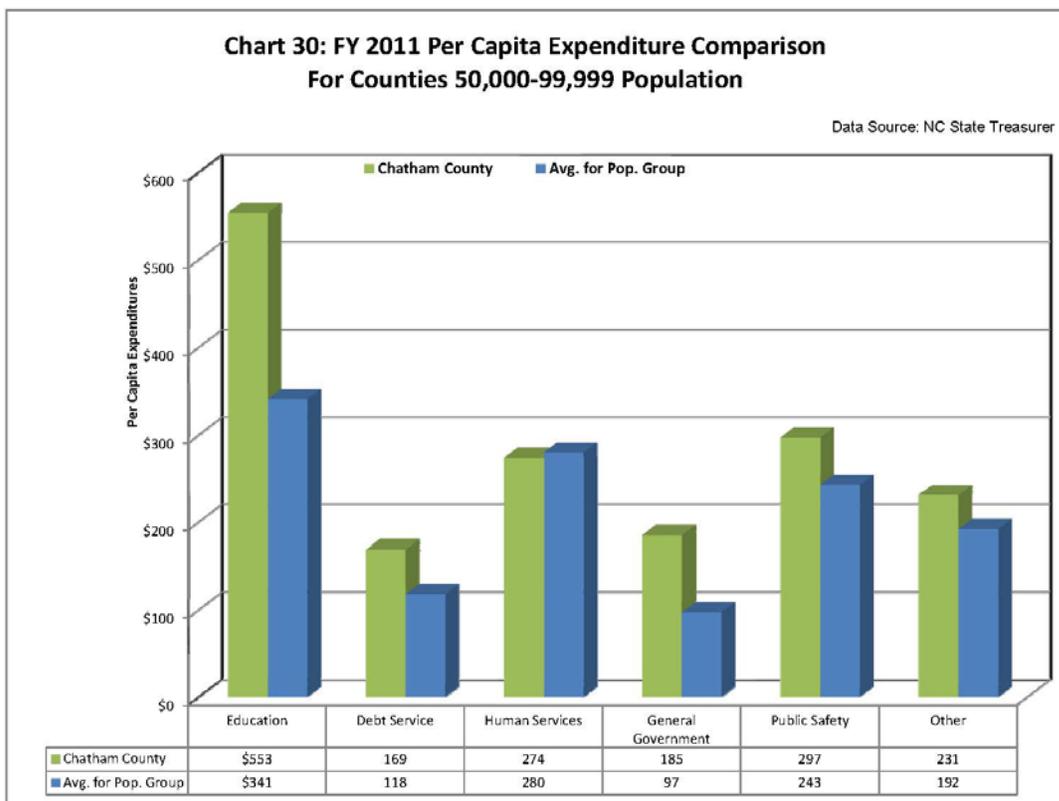
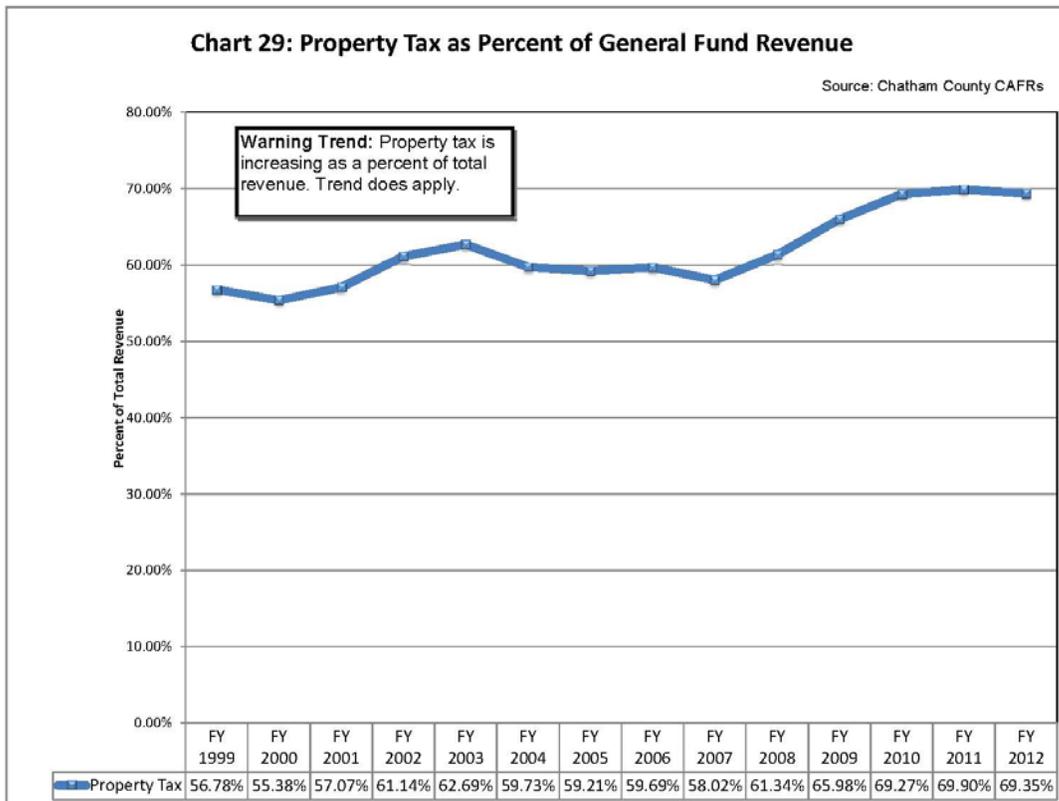
Sales and Services - parking revenues; rents and royalties; airport revenues; fire protection charges; solid waste charges; ambulance and rescue squad charges; cemetery revenues; recreational service revenues; library service revenues; other cultural and recreational service revenues; client and third party payments for health, mental health, social services, and nursing home services; mass transit revenues; and water/sewer charges

Intergovernmental - federal, State, and local financial assistance including payments in lieu of taxes; equitable sharing of federally forfeited property; categorical grants; controlled substance taxes; intangibles tax and intangibles reimbursement received from the State; distributions of beer and wine taxes; payments of court costs; Public School Building Capital Outlay Fund revenues; Public School Building Bond Fund revenues; food stamp purchases tax reimbursements; manufacturers' and retailers' and wholesalers' inventory tax reimbursements; and the senior citizens exemption reimbursements.

Debt Proceeds – proceeds of the sale of bonds and notes; proceeds of lease-purchase agreements.

Other Miscellaneous - building permits; Register of Deeds' fees; building inspection fees; other permits; investment earnings; special assessments; private contributions and donations; sales of materials, fixed assets, and real property; ABC Board bottle taxes; ABC Board profit distributions; and other miscellaneous revenues.





Explanation of Per Capita Expenditures (from State Treasurer)

Education - appropriations to school administrative units and to community college systems for current operations and capital outlays.

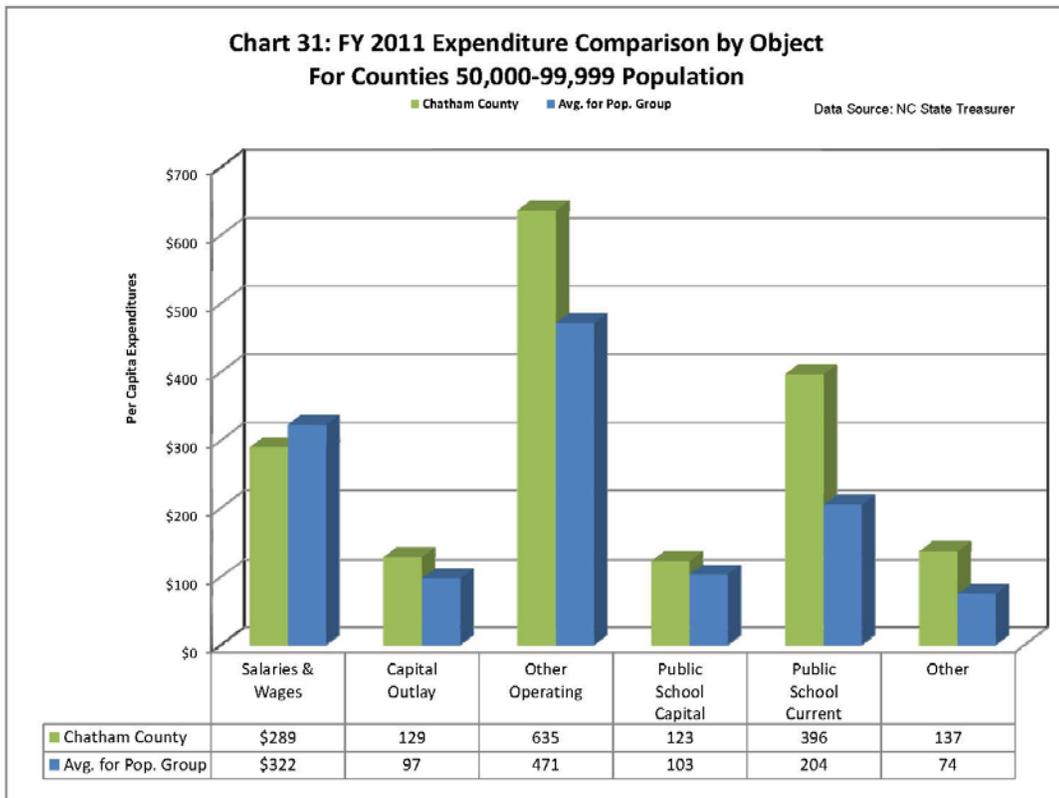
Debt Service - principal, interest, and fees paid or accrued on debt.

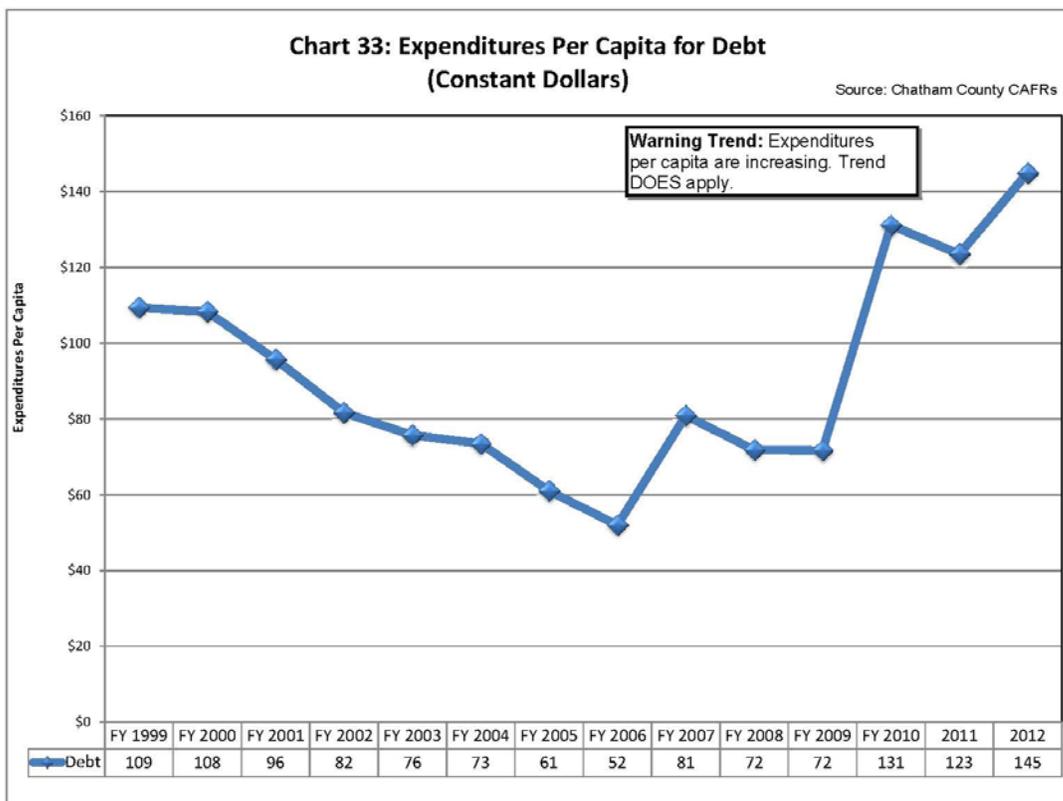
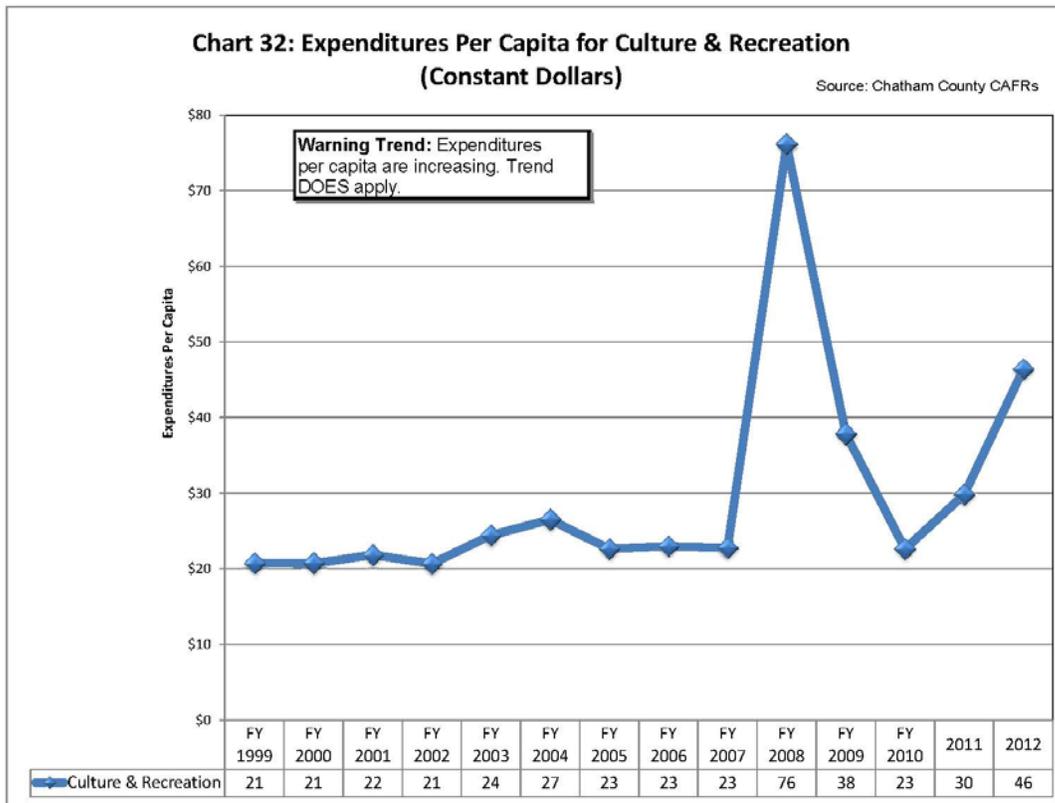
Human Services - expenditures for the public health, mental health, and social services programs; veterans' service officers; legal aid; appropriations to hospitals; county's share of Medicaid payments, AFDC payments, and Special Assistance to Adults; county's share paid to multi-county health district and an area mental health authority.

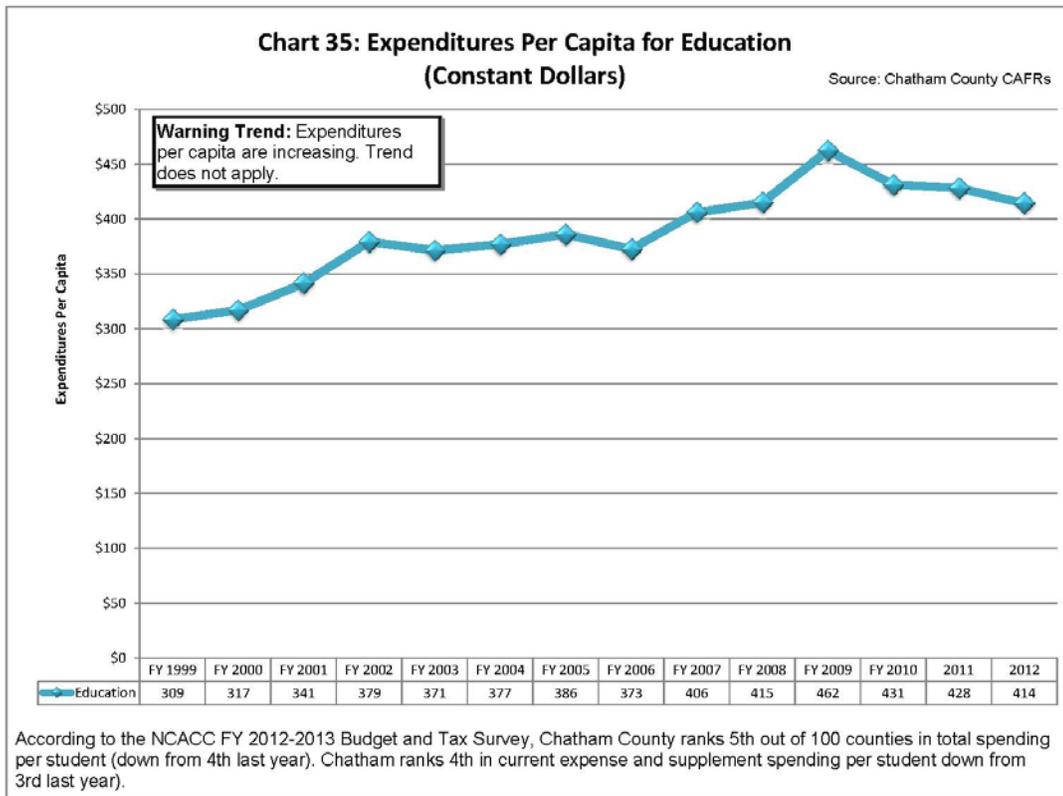
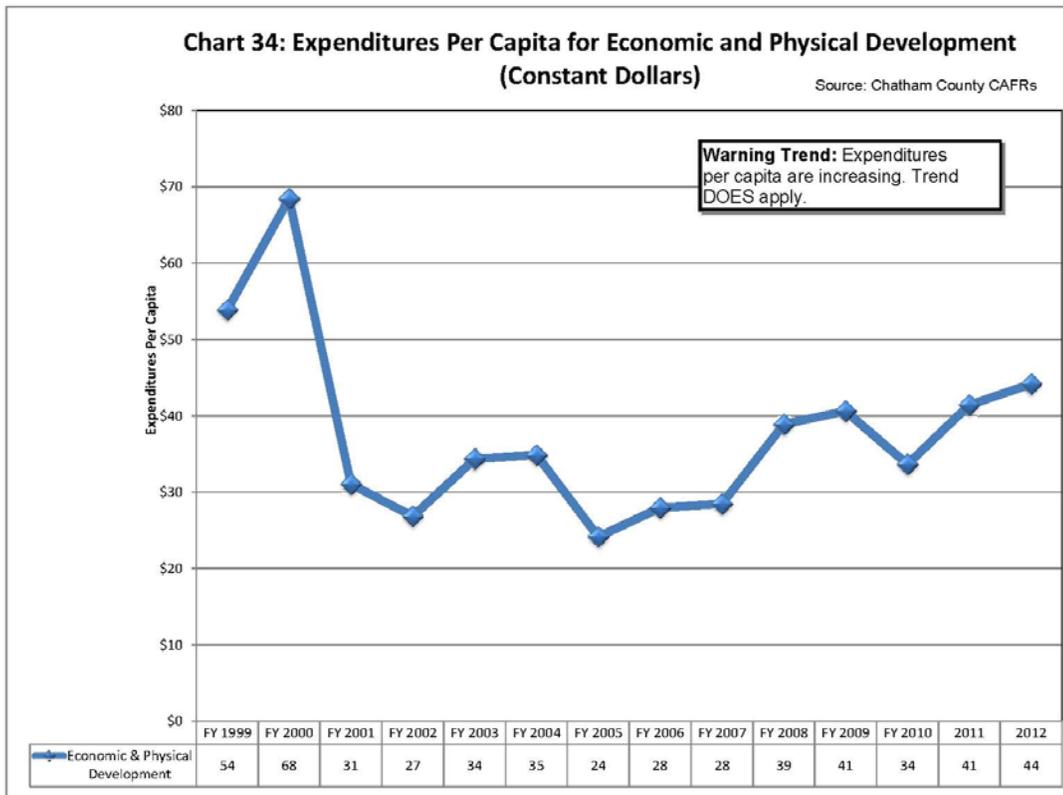
General Government - expenditures for the governing body, administration, elections, finance, revaluations, legal services, Register of Deeds, construction and maintenance of public buildings not related to other functions, court facilities, and central services.

Public Safety - expenditures for the sheriff's department, jails, emergency communications, emergency management activities, fire protection, building inspections, rescue and ambulance services, animal control, and medical examiners or coroners.

Other - expenditures for transportation, solid waste, drainage and watershed, cemeteries, planning and zoning, economic and community development, agriculture extension programs, special employment programs, culture and recreation, water and sewer, unallocated fringe benefits, and Miscellaneous expenditures.



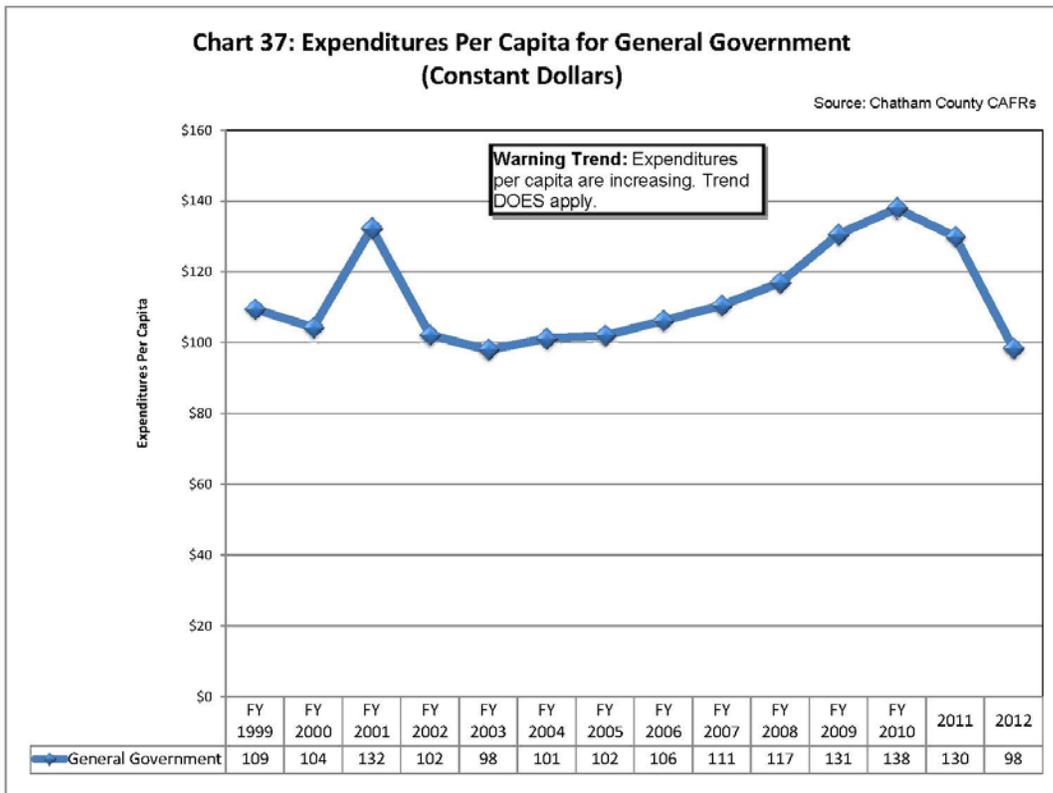
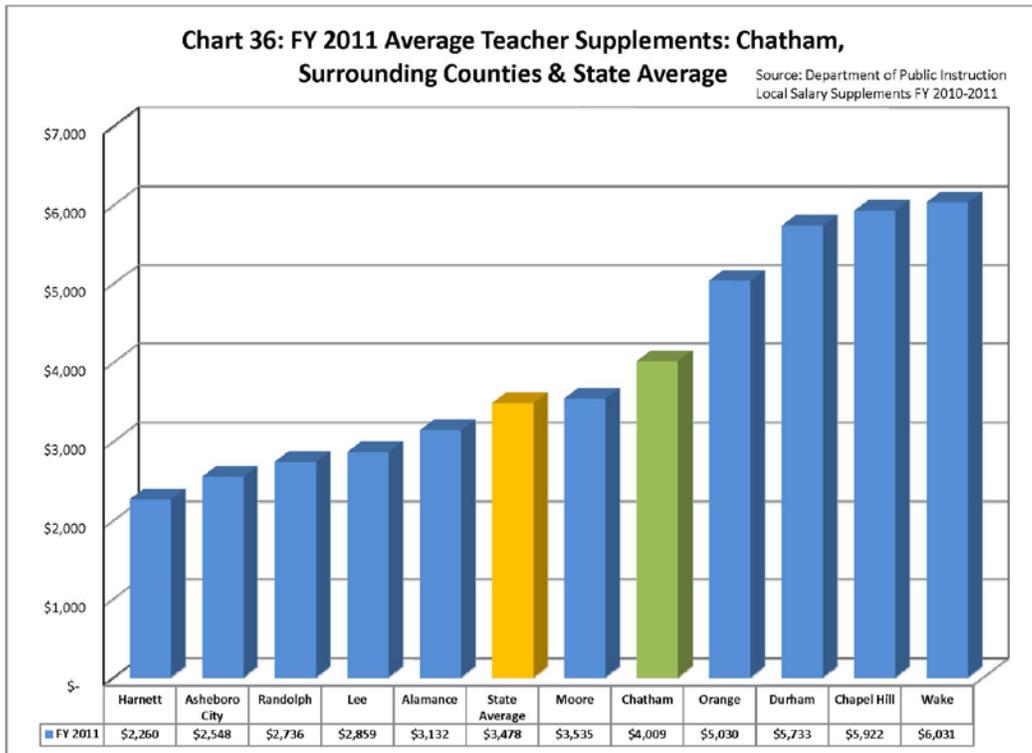


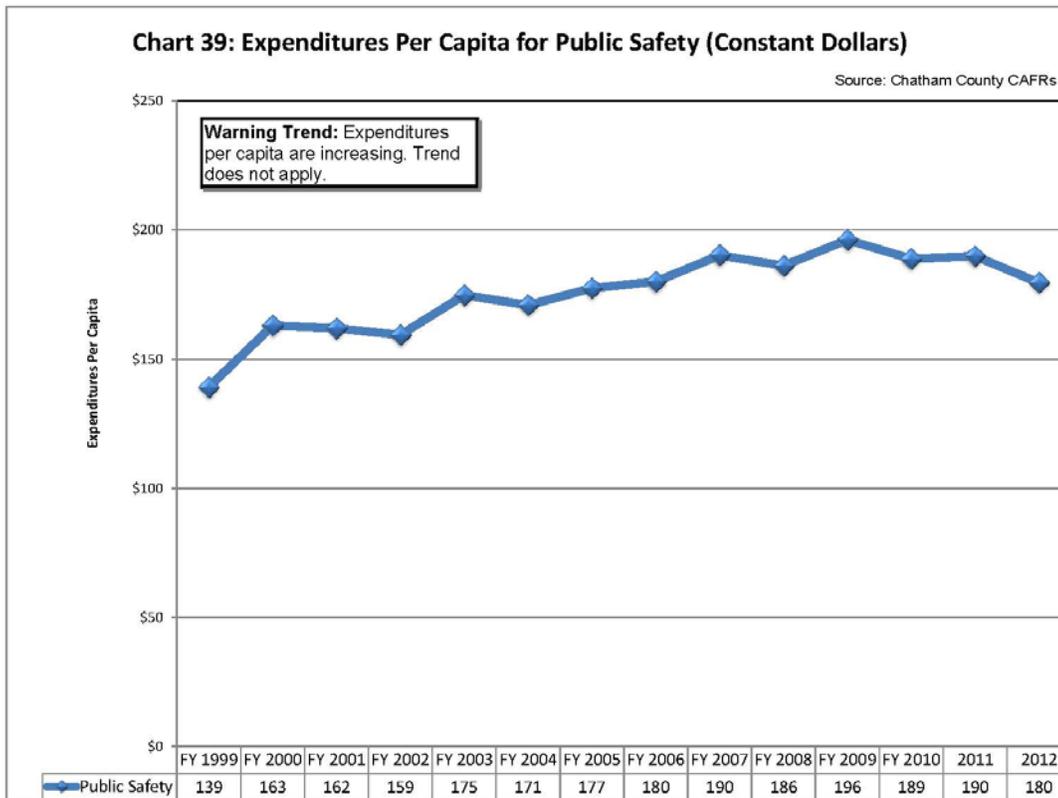
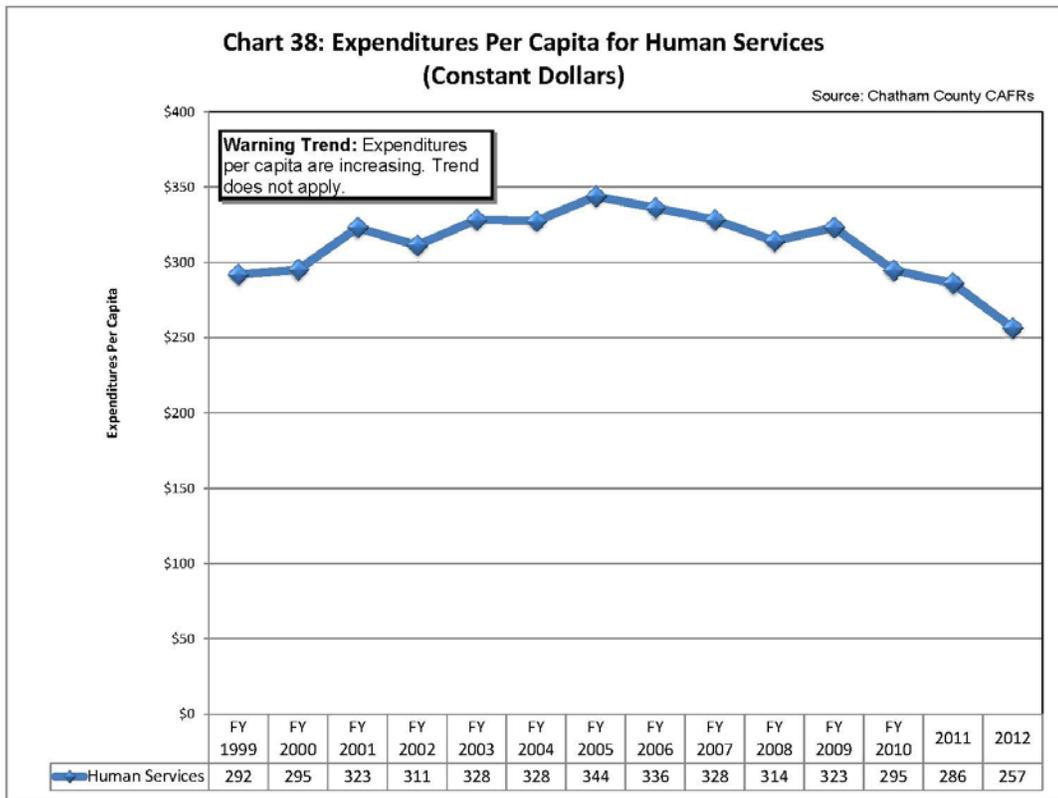


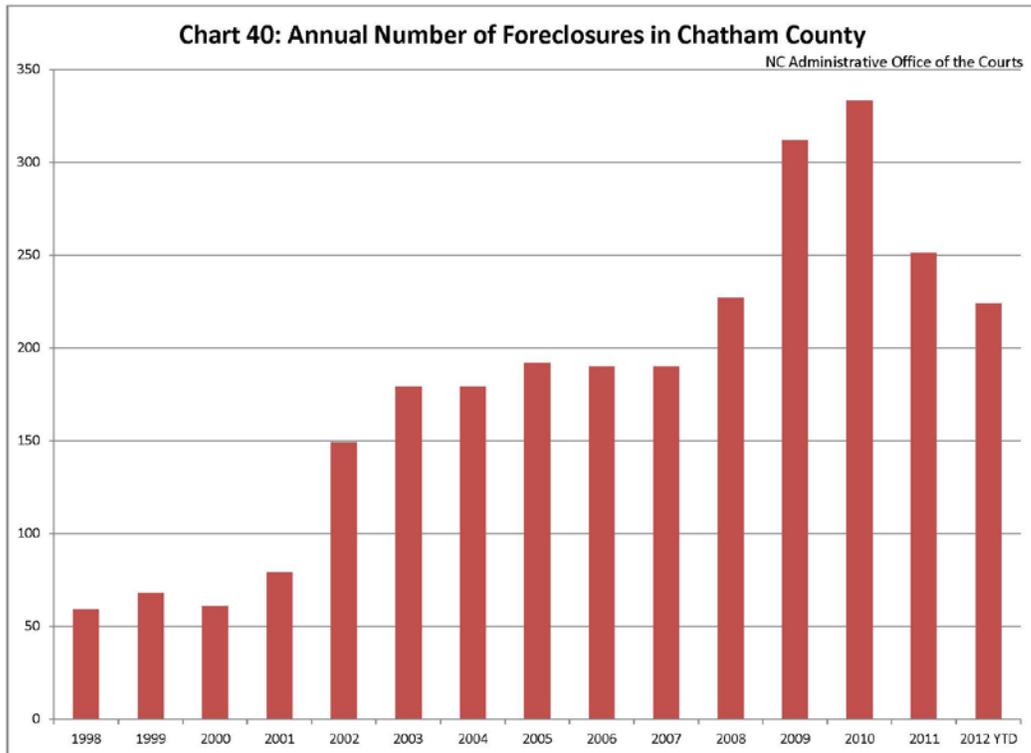
Commissioner Kost asked when looking at the “per capita for education”, if per student was looked at.

Ms. Paschal stated that she did not graph it that way. She stated that Chatham County is still ranking at the top five in the State in spending per student, fourth in current expense, and fifth in total. She stated that the ranking was based on County funding.

Commissioner Kost asked if she could send the graph as it is one she uses quite often.



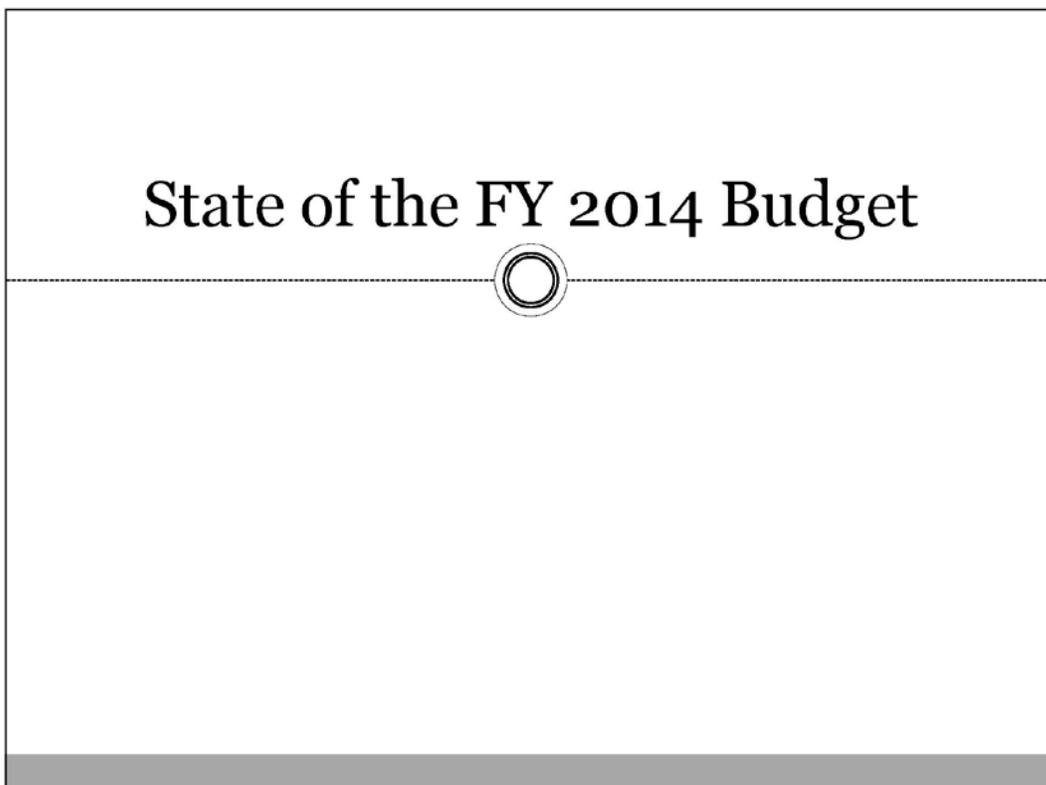




Ms. Paschal stated that overall, she feels that everything is slightly positive.

STATE OF THE 2014 BUDGET

Ms. Paschal gave an overview of the State of the FY 2014 Budget in a PowerPoint as follows:



A Word about FY 2013



- Projecting we will break even (revenues = expenditures)
- Could be better if significant tax discoveries are realized and sales tax continues at current levels
- Could be worse if federal debt and budget woes affect consumer spending

FY 2014 Revenue



- Project an increase in property tax values (still early):
 - 2% increase in real and personal
 - 18% decrease in utilities (known effect, projected decrease)
 - 3.8% increase in motor vehicles
- Increases for WalMart and other real property partially offset by \$42 million loss for Progress Energy coal-fired plant
- Project an increase in sales tax based on current year and opening of WalMart
- Building permits and ROD excise tax increasing

FY 2014 Expenses



- **Additional expenses:**
 - \$250K for local supplement
 - \$1.3M for justice center (full year) and jail
 - \$650K for debt reserve (\$0.5 cents for agriculture center + debt retirement)
 - ? Employee pay
 - ? Health insurance cost increase
 - ? Workers comp insurance
- **Reduced expenses:**
 - \$400K one-time funding for schools?

FY 2014 Expenses



- ?Additional positions and program requests presented in Heads Up
- ?Additional school funding
- ?Inflationary increases in operating

FY 2014: Impact of Federal Government???



- Effect of 2% increase in payroll taxes on sales tax and motor vehicle purchases
- Next “fiscal cliff” could come with federal debt ceiling crisis
 - Debt ceiling reached on December 31, 2012
 - Currently using “extraordinary measures” to borrow additional funds to meet current obligations; the Bipartisan Policy Center projects this will run out between Feb. 15 and March 1
 - Federal government is borrowing about \$0.39 of every \$1.00 spent
 - If debt ceiling is not raised, the federal government will have to choose what to fund (massive impact)
 - Dealing with the debt ceiling will also have an impact through possible tax increases and spending cuts
 - A downgrade in federal debt could have wide reaching impact

State Government



- Tax reform
- Lower corporate taxes?
- Higher consumption taxes?

Federal government aside, the county is in good shape



- We can meet current and “promised” expenditure obligations with current revenues, including:
 - CIP increases from justice center and jail
 - Needed increase in local supplement
 - Some salary and health insurance adjustments
 - Increase in debt reserve for Agriculture Center (\$0.50 cents)
 - Preliminary estimates show a slight surplus of revenue (less than 1% of total budget) that could be used for new programs or to offset future increases in spending for the jail, etc.
- *This could all change if the Federal government doesn't deal with the debt ceiling effectively or the state government takes adverse actions*

FY 2014 Revenue (Part of PP).....

Commissioner Kost stated that the Board was going to need to have more discussion on when the election is going to be held with regard to the bond as there is no spring election. She stated that the discussion needs to include whether those costs will be absorbed or if it is put out to the people, which is an increase in taxes.

Ms. Paschal stated that her figures did assume that the County absorbed the half penny.

LUNCH BREAK

The Chairman called for a thirty-minute lunch break.

GOAL SETTING SESSION FOR JANUARY 23, 2013 BOARD RETREAT

Lisa West stated that they had spoken with the facilitators at their pre-meeting who came up with the following agenda:

Meeting Goals

The goals of this pre-retreat meeting are to collect data that will help shape a productive goal-setting retreat:

- By addressing hopes, fears and anticipated retreat outcomes
- Reviewing retreat goals
- Identifying steps to be taken to prepare for the retreat

Meeting Summary

I. Introduction

Commissioners, staff and facilitators were introduced. Meeting participants included:

Chair, Commissioner Walter Petty

Vice Chair, Commissioner Brian Bock

Charlie Horne, County Manager

Renee Paschal, Assistant County Manager

Lisa West, Budget Analyst

Maggie Chotas, The Mulberry Partners

Betsy Polk, The Mulberry Partners

II. Reviewed retreat goals

The draft retreat goal is: To identify and achieve 3-5 short term and 3-5 long term, meaningful goals. The facilitators clarified the retreat goals by asking participants to define key aspects:

What does it mean for goals to be short term?

To be fully committed to achieving goal within 12-18 months

What does it mean for goals to be long term?

To be fully committed to in 2-5 years

What does it mean for goals to be meaningful?

Measurable goals are meaningful. For example, "Achieve a 4% unemployment rate – lower than state" is better than "Maintain the rural character of Chatham County" because it can be measured.

III. Addressed hopes, fears and outcomes

In describing hopes and fears for the retreat, Commissioners identified the following challenges:

Potential challenges for the retreat:

- We might get caught up in politics
- It will be easier to identify long term goals than short term
- We can ramble on

In order to address these challenges, commissioners outlined the following expectations for the facilitators:

- Keep reminding us to focus on goals and not on tasks
- Define the difference between a goal and a task
- Use a parking lot for topics that are raised that don't need to be addressed at retreat
- Facilitators flag topics for the parking lot (not commissioners)

- Be aware that there will be differences of opinion – capture these so that all are heard and determine appropriate course of action (for example: is this something staff can research?)
- Build consensus but when not possible go with majority vote
- Be sensitive to focusing on what we agree on rather than what we don't

In response to: “What outcomes will make this a successful retreat?”
Commissioners identified the following key outcome:

We will be successful if we agree to 5 short and long-term goals and know how to get there by the end of the retreat.

IV. Identified actions to be taken to prepare for the retreat

1. Staff will send to Mulberry the ground rules the Commissioners use
2. Commissioners who were not at the pre-meeting will review these notes and discuss any concerns during day one of the retreat. Commissioners will follow up with facilitators with relevant information in advance of the retreat on January 23.

V. Concluded meeting

The meeting ended at 11:56pm.

By consensus, the Board agreed that the agenda set for the January 23, 2013 retreat would make the retreat successful.

PAY/PAY STUDY PRESENTATION

Carolyn Miller, Human Resources Director, explained the specifics of the Pay and Pay Study as follows:

Current State of Affairs

- Pay adjustments implemented July 1, 2012
- Everyone assigned new grade and salary table changed according to pay study done in 2007-2008
- Every employee received at least a 2% increase
- Step 1 in the implementation of pay study on the road to market

In FY 12:

- Law enforcement made up 22% of overall turnover
- Human services made up 48% of overall turnover
- Professional made up 16% of overall turnover

In FY 13 to date:

- Law enforcement made up 4.5% of overall turnover to date
- Human services made up 41% of overall turnover to date
- Professional made up 36% of overall turnover to date

In FY14:

- Update 2008 market numbers
 - Cost: Approx. \$15,000
- Implement competitive advantage adjustment and adjust salary table by a set percentage

- Maintain strong benefits package to aid in recruitment and retention of qualified personnel
- Launch a new appraisal system with a merit pay component in FY 2015
- After obtaining new market figures, design 1-2 step implementation to achieve market
- Introduce additional component to merit pay program, making strong connection between employee goals, departmental work plans, and BOC goals and objectives
- Maintain strong benefits package to aid in recruitment and retention of qualified personnel

Performance Appraisal

Our Goal:

- Conceptually maintain idea that excellent performing employees should be rewarded for their performance
- Provide for a strong tie between departmental work plans and employee goals
- Provide structure so that employees and supervisors can work collaboratively to improve performance and service to the public

Performance Appraisal

Categories

- Meets
- Exceeds
- Outstanding



Categories

- Meets Year 1
- Meets + Year 1
- Goals + Year 2

Commissioner Kost asked when the exit interviews are done, if it confirms that employees are leaving because of pay.

Ms. Miller stated that it was mixed, but especially in law enforcement. She said that it is pay, it is proximity to home (especially in the Department of Social Services as many social workers live outside the County), and it can be work/case loads.

The County Manager stated that part of this would involve periodic check-ins after one has decided the performance level with their supervisor to make sure they are on their timeline. If there are adjustments to be made, they will be done accordingly.

Ms. Miller stated that there should be a constant conversation between the supervisor and the employee about how that employee is doing, not waiting until check-in times, and addressing issues as they arise.

Commissioner Stewart asked when Board goals are set, if any of it ever returns to the County employees to be built in to their goals and objectives.

Ms. Miller stated that she feels it goes through a filter. Some of those filters are better than others. As the Board sets its priorities for the year and it is disseminated, it gets blended into departmental work plans, depending on how big the department is and how communicative they are with their employees, and it may or may not trickle down to the employee level from the Board. She stated that she and Ms. West have discussed how to revamp the work plan process in order to make the connection stronger, directly to the employees, and therefore the strengthening the Board to work plan connection and the work

plan to employee plan will be strong. It is a chance for Staff to redo the process and make it very solid, the foundation by which employees are being measured.

Commissioner Stewart asked if there were any other types of objectives employees have to meet in the area of leadership, integrity, or personal development type things regarding not what you do but how you do it and the attitude you have while doing it.

Ms. Miller stated that it depends on the department. Some departments have training requirements with a certain amount of leadership training (i.e. Sheriff's Office) for its command staff. We need to get to a point where we are not only working that in to personal objectives for a person, but also what comes of it. If we are training people on how to be better leaders, internally and externally, how can we measure the effectiveness? That is the next step we have been trying to get to. It's not about going to training. It's about doing something with it.

Chairman Petty asked if there is any type of incentives package or compensation that puts that person in a better position for a future leadership position.

Ms. Miller stated that some departments look very carefully at that. The Sheriff's Office does review boards for promotions. Many other departments are doing that as well. It plays into the decision, but there is no quantitative reward. There are also some jobs functions that we have that have required licensures that go with them. Building inspectors are required to hold a level 1 certificate in all four trades. When we had "Pay-for-Performance", upper levels could be put into the performance agreement. Since that has been suspended and as we wait to revamp it, there has been some loss there. There are other programs that have different levels of certificates. It benefits the County to have employees have these certificates. We want people to be as valuable to the organization as they can be and utilize their functions. There needs to be monetary incentives to do that as well.

She stated that there needs to be conversations between supervisors and employees. There needs to be coaching on the supervisory level about how to have those conversations.

HEALTH CARE REFORM

Ms. Miller continued with a Health Care Reform Presentation as follows:

History:

- Affordable Care Act signed into law March 23, 2010
- Tiered implementation over a four year time period

Changes we saw July 1, 2011

- Prohibition on denying coverage of children based on pre-existing conditions
- Eliminating lifetime limits on insurance coverage
- Extending coverage for young adults up to age 26

Changes we saw July 1, 2012

- More integrated health systems across BCBS
- More standardized billing and confidential, electronic exchange of health information

Changes we will see July 1, 2013

- Women's health care coverage changes (annual exams, contraception, gestational diabetes, STI and HIV testing)
- Summary of Benefits and Coverage (SBC) document to be delivered to members
- 60-day advanced notice of modifications to plan required
- Comparative Effectiveness Fee = \$1 x average # participants/month (\$520 for plan year 7/1/12-6/30/13)

- Initial measurement period begins

Changes we will see July 1, 2014

- National health care exchanges begin January 1, 2014
- Prohibition of discrimination due to pre-existing conditions or gender
- Comparative Effectiveness Fee=\$2 x average # participants (\$1,100 for plan year 7/1/13-6/30/14)
- Transitional Reinsurance Program begins
 - 2014-\$5.25/member/month = \$34,640
 - Decreases in 2015 and 2016

National Health Care Exchanges

Bronze Plan:

A bronze plan is required to have an actuarial value of 60 percent. Therefore, covered individuals would be expected to pay 40 percent through deductibles, co-pays, and other cost-sharing features.

Silver Plan:

A silver plan is required to have an actuarial value of 70 percent. Therefore, covered individuals would be expected to pay 30 percent through deductibles, co-pays, and other cost-sharing features.

Gold Plan:

A gold plan is required to have an actuarial value of 80 percent. Therefore, covered individuals would be expected to pay 20 percent through deductibles, co-pays, and other cost-sharing features.

Platinum Plan:

A platinum plan is required to have an actuarial value of 90 percent. Therefore, covered individuals would be expected to pay 10 percent through deductibles, co-pays, and other cost-sharing.

How can we be affected?

- Group has > 50 FTE employees and
- Offers a group sponsored health plan and
- At least one full time employee with a household income < 400% Federal Poverty Level (FPL) purchasing coverage in an Exchange

...AND

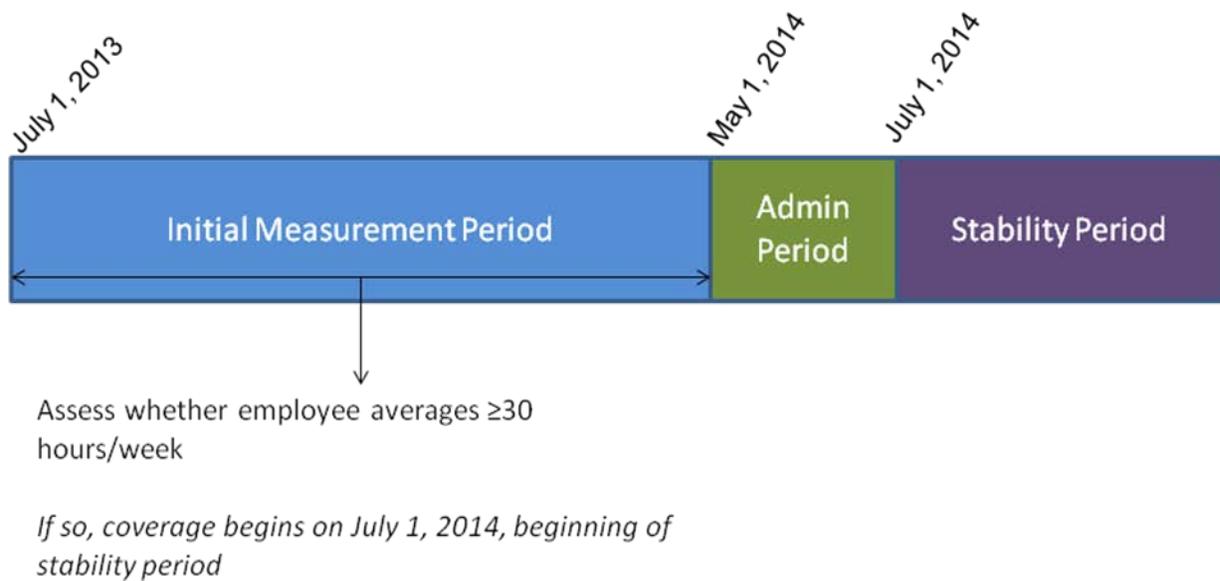
- Employer fails one of the following tests: Employer's coverage < 60% actuarial value
or
- Employee ONLY coverage > 9.5% of household income (dependent tiers do not apply)
- Employer fee = \$3,000 per employee that enters exchange

Bottom Line: Chatham County employees that qualify for group health coverage will likely not enter the Exchange.

Other Issues:

- Qualification for employer-sponsored coverage is hours driven, not position driven beginning July 1, 2014

- Result is potential impact on the use of temporary and seasonal employees
- May also affect some of our larger non-profits



Commissioner Kost asked if we knew how many employees/temps it could impact.

Ms. Miller stated that now, if no modifications happen in the budget, probably nine employees which would cost approximately \$75,000-\$100,000.

Commissioner Bock asked about covering pre-existing conditions.

Ms. Miller stated that the claims costs would likely increase, but that she doesn't know how much. She stated that many people who come to us already have coverage. As we hire them, they are coming on with credible coverage that is continual with no waiting period for pre-existing conditions.

The County Manager stated that every employer would have to pay into a transitional fee. The idea is because of the gap in insurance coverage, all those non-insured who will now be coming into the pool, will have to be paid for. This is, in effect, a membership fee and theoretically is a three-year payout each year to decrease to the third year.

Commissioner Kost asked if the maximum number of out-of-pocket was an issue in Chatham County.

Ms. Miller explained that it was one time years ago. We had a cancer patient who ended up passing away. It was never an issue.

Commissioner Bock asked if more than the \$100,000 was going to have to be budgeted.

Ms. Miller stated that it would depend on the type of claims year we have. If we have a difficult claims year and incur more costs, it may impact the budget. The women's health plan is less than one percent as we cover everything else.

Commissioner Kost asked how much the cost was per employee. She asked if we are in good shape with that and if we will have to make up any.

Ms. Miller stated \$7,455 per employee per year. She stated that we are not having a good claims year to date. Last fiscal year we came in at 92%. This year we are running at 119% over expected. It fluctuates widely month-to-month. It has come down, as we were at 124%.

Commissioner Kost asked if there was a potential that the \$7455 may go up next year.

Ms. Miller stated that it was possible.

The County Manager stated that we probably need about a year's experience to determine whether we can remain a self-insured program.

Ms. Miller stated that we have been self-insured since 1999. There have been a lot of good years and couple of bad ones which is pretty typical. We budget and plan well, but it takes only a handful of claims to throw you off kilter and that is what happened in the first part of this year.

Commissioner Kost asked if this included dental.

Ms. Miller stated that it did not.

BREAK

The Chairman called for a short break.

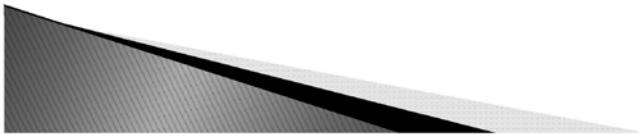
PERFORMANCE TEAM DISCUSSION

Lisa West gave an overview of the Performance Team Discussion in a PowerPoint as follows:

Performance Team Discussion

But first

<http://www.youtube.com/watch?v=nGeKSiCQkPw>

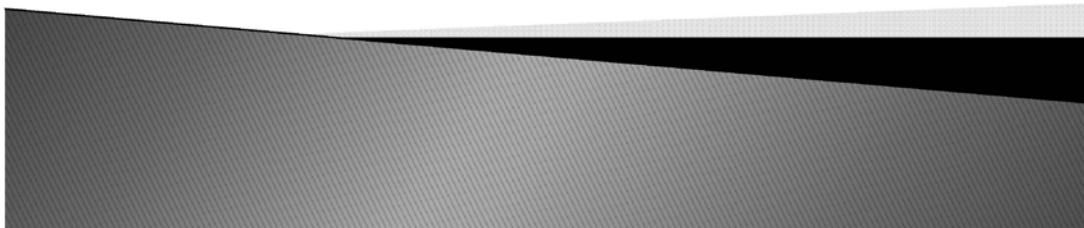


Here's Where We Agree



Chatham County Animal Control

Chatham County Public Health Department



Performance Team Review

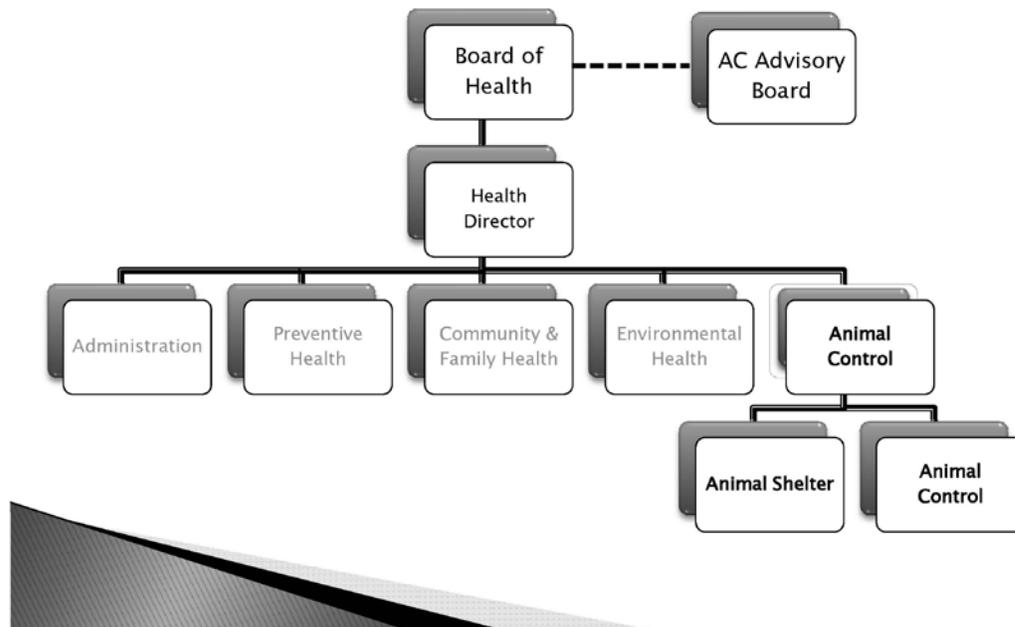
- ▶ Overall results compared with other counties
- ▶ Targeted spay/neuter program
- ▶ Opportunities for improving outcomes
- ▶ Information to supplement discussion at recent board meetings



Services Provided

- ▶ Provide comprehensive and humane **animal control and sheltering services** using best practices
 - ▶ Protect the public against rabies and other animal-related diseases, dangerous and vicious dogs, and damage and loss caused by dogs and cats
 - ▶ Protect animals from neglect and abuse
 - ▶ Provide free pickup and impoundment of stray and surrendered dogs and cats
 - ▶ Provide humane sheltering, adoption, rescue and euthanasia programs for impounded dogs and cats
 - ▶ Provide emergency and disaster response for animals
 - ▶ Provide educational programs for the public

Organizational Overview



Animal Shelter

- ▶ Shelter Manager, Shelter Attendant
- ▶ Manage/administer all animal care
 - Intake, medical, feed, kennels, records (state/local), reception, customer service, adoption, euthanasia, s/n program, communication
- ▶ Outdated building (1994)
 - Not conducive to disease control
 - Not adoption friendly



Kennels (inside)



Kennels



Kennels (outside)



Cat Quarantine



Ferals



Animal Control

- ▶ 4 Staff
 - 1 Lead Animal Control Officer, 3 officers
- ▶ County-wide service
 - 24x7 Emergency
- ▶ Share modular unit with Director
- ▶ No space for staff or public meetings
- ▶ No private space for Director



Office space – director and lead ACO

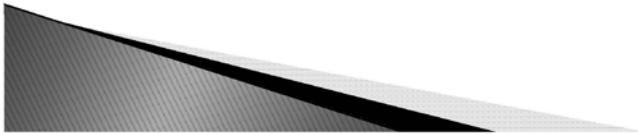


Office space – 3 ACOs



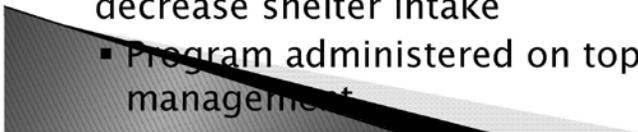
Field Request Breakdown

- ▶ Field calls can include several follow-up visits until situation is resolved
- ▶ Examples of calls
 - Stray, sick/injured, fighting, cruelty/welfare check, trap request, bites, dangerous
- ▶ Total number of field calls FY 12: 1,511
 - Siler City address - 40%
 - Unincorporated address - 32%
 - Pittsboro address - 24%
 - Goldston address - 4%



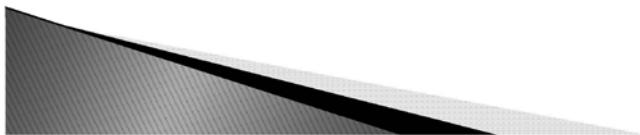
Accomplishments

- ▶ Used existing resources and volunteers to make shelter more attractive
- ▶ Partnered with 21 rescue groups who pulled animals from the shelter and found them homes
- ▶ Collaborated with vets and rescue groups in emergency situations
- ▶ \$2,000 customer service award from PetFinder
- ▶ Increased avenues to advertize adoptable animals
 - Facebook, Pet of the Week
- ▶ Created Lost and Found Board
- ▶ Introduced targeted spay/neuter program to help decrease shelter intake
 - Program administered on top of animal shelter management









Community Partners

All Creatures; American Black/Tan Coonhound Rescue; Animal Aid Inc.; ARP Border Collie; ARPH; Aussie Rescue; Australian Cattle Dog Rescue; Best Buddies; Blind Cat Rescue; Blue Ridge Boxer Rescue; Boston Terrier; Bully Paws; CARE; Carolina ACD; Carolina Bassett; Carolina Border; Carolina Dal Pal; Carolina CareBull; Cat Angels; Catahoula; *CHATHAM VETERINARY SERVICES*; CLAWS; Cocker Spaniel; Countdown Dog; Dalmatian SW VA; Dog Scrub; Dog Stylists; Dog Found TCR; Dr. Munn; Friends of Penny; Great Dane; Guardians of Angels; Happy Hills; *HILL CREEK VETERINARY HOSPITAL*; *HOPE CROSSING ANIMAL HOSPITAL*; Independent Animal Rescue; *JORDAN LAKE ANIMAL HOSPITAL*; Marley's Cat Tail; Mid-Atlantic Great Dane; Mid-Atlantic Pug; National Great Pyrennese; National Rottweiler; NCGS; Neuse River Golden; Pawprints; PAW-fect match; Paws 4-ever; Pet Saver NC; Pug Rescue; *PITTSBORO ANIMAL HOSPITAL*; Rhodesian Ridge Rescue; Road Home; Rockingham County HS; Sheltered Hearts; Siamese Rescue; *SNAP-NC*; Sound Pet; Southeastern German Shepherd; Southern Mastiff; SPCA Alliance; Susan Jones; Tarheel; *THIRD STREET VETERINARY CLINIC*; Tri Sheltie; Triangle Beagle, Turtle Pants Farm; *TYSOR VETERINARY CLINIC*; Wake SPCA; Westie Rescue; Ring Dog; Rescue of the Carolinas All Breed;

Outcomes – TJCOG

County	Population	Budget	Euthanasia Rate	
			Dogs	Cats
Orange	135,776	\$844,780	36%	46%
Wake	925,938	\$1,689,608	32%	68%
Chatham	64,553	\$579,097	52%	86%
Lee	58,304	\$248,144	54%	91%
Johnston	172,570	\$455,932	56%	90%
Moore	89,395	\$661,967	60%	84%
Durham	272,314	\$835,086	62%	78%

Targeted Spay/Neuter

»» We will never adopt our way
out of pet overpopulation *

•Peter Marsh – Attorney, author, activist



Targeted Spay/ Neuter – Glossary

- ▶ **Shelter overpopulation:** Total number of animals impounded exceeds the carrying capacity of shelters and the rate at which sheltered animals can be placed in adoptive homes
 - ▶ **Medical euthanasia:** Ending the life of an animal that is severely injured or dying
 - ▶ **Population control euthanasia:** Ending the life of an animal that is healthy or suffers from a treatable condition in order to control the size of the shelter population
 - ▶ **Targeted spay neuter:** Pet sterilization programs that target a specific source of pet shelter overpopulation
 - ▶ **Low cost spay neuter:** Pet sterilization surgery at low-cost open to all
- 

The problem

- ▶ Shelter Overpopulation
 - Intake exceeds available shelter resource
 - Impounded strays (866)
 - Impounded owner surrendered (1,224)
 - Intake exceeds adoption demand
 - Adopted Rescue (380)
 - Adopted CCAS (255)
- ▶ Population control euthanasia



Euthanasia

Reason	FY 2010	FY 2011	FY 2012
Lack of space	648	857	834
Temperament, Behavior	377	248	280
Illness	217	105	167
Owner request	32	10	9
Injury	28	23	15
Age	24	13	8
Other (wildlife)	19	11	26

State of New Hampshire model program & research

- ▶ Founded by attorney Peter Marsh
- ▶ In the early 90's shelters in NH euthanized thousands
- ▶ By the end of the 1990's dogs were no longer being euthanized for lack of shelter space and instead adopter demand exceeded supply
- ▶ Provided the model for decreasing shelter euthanasia.



Summary of key data and research *

- ▶ Communities with low pet sterilization rates tend to have relatively high shelter intake rates
- ▶ Communities with high poverty rates tend to have higher shelter intake rates
- ▶ Shelters that sterilize intact pets prior to their release tend to have lower future intake rates
- ▶ Delaying sterilization of female cats and dogs beyond optimal age greatly increases the reproductive rate of the U.S. household pet population

*from Replacing Myth with Math: Using Data to Design Shelter Overpopulation Programs

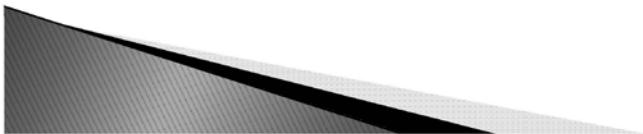
Summary of key data and research

- ▶ The optimal allocation of resources depends on developing programs that target the specific sources of shelter overpopulation in the community
 - “Effective programs are based on careful research to determine which segments of the animal population are actually significantly contributing to shelter intake and euthanasia and then target efforts at those segments.”
- ▶ Because it is an aggregate problem, shelter overpopulation requires aggregate solution



*from Replacing Myth with Math: Using Data to Design Shelter Overpopulation Programs

Many parts to the solution

- ▶ Targeted spay neuter
 - Greatest impact on shelter euthanasia rates
 - Intakes and euthanasia rates have changed more than adoption rates during the past 30 years
 - ▶ Feral cat programs
 - ▶ Sterilization of adopted shelter animals
 - ▶ Adoption programs
 - ▶ Education about pet responsibility
 - ▶ Ordinances, policies
 - ▶ One size does not fit all
- 

Feral Cats – It Takes A Village

- ▶ “ A statistical black hole”
- ▶ Feral cats wander until they find a source of food, water, shelter
- ▶ Unsterilized females produce 3–4 litters/year
- ▶ Eradication programs: short term fix, ineffective
- ▶ Long term solution requires colony management
 - Sterilization, maintenance, monitoring, education



CCAS Targeted Spay Neuter Program

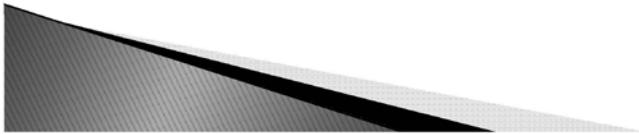
- ▶ Began in FY 08, for low-income households
- ▶ Spay/neuter surgery for a \$20 co-pay or less
- ▶ Program administered in addition to shelter management responsibilities
- ▶ Results
 - Intake decreased by 24% from FY09 to FY12
 - Adoption rate and euthanasia rate have not changed as much
 - Adoption rate: 24%; 26%; 30% 25%
 - Euthanasia rate: 66%; 61%; 63%; 67%

Chairman Petty asked what prompted the spay/neuter program for low income. Was it because of an over-population problem at that time?

Holly Coleman, Chatham County Health Director, stated that it was a combination of the over-population problem and their ability to the room for all the animals coming in. It was the knowledge that over time, this was the best approach. It was evidence-based. It is what works over time to reduce the numbers.

Issues

- ▶ S/N program coordination takes much more time than anticipated
- ▶ Getting to the right people with spay/neuter program
 - Qualification of eligibility
 - Elderly/disabled
- ▶ Cats
 - Greater intake, fewer adoptions
 - Feral colonies



Other counties

- ▶ **TARGETED S/N**
 - Decreased intake and euthanasia rate
 - Free to DSS clients, \$20 for low-income, disabled, elderly
 - Spay/neuter events
 - Recover costs from NC State Spay Neuter Program
- ▶ **COST RECOVERY**
 - Many counties recover costs from towns that don't provide AC or shelter
 - Cost calculated based on percent of service
 - Some counties recover shelter costs on a per-animal basis



Other counties

▸ ORDINANCES

- Tethering ordinances
 - Address animal welfare and public safety (e.g. bites, prevention of unwanted litters)
 - Often collaborate with nonprofits that build fences
- TNR/Feral cat ordinance

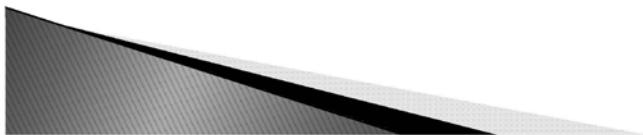
▸ MERCHANDISE SALES

- T-shirts, calendars, etc.



Public Health Director Perspective

- Recent history
- Animal shelter as a 'future project'
- Benefits of the targeted spay/neuter program from a public health perspective
- Review and revision of current ordinance
- Director of Animal Control



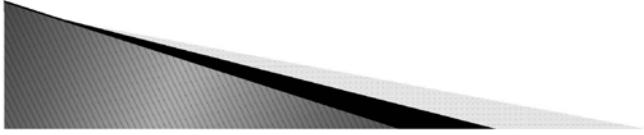
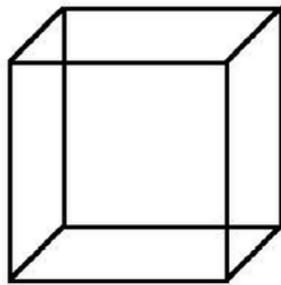
Strengthening Image and Service

- ▶ **“An effective program is no accident”***
- ▶ Public relations is one of the most challenging aspects of local government
- ▶ Planning for staff training in Animal Control and Cruelty Investigations by NACA
- ▶ Proper training and professionalism
 - Impacts image, service, liability, cost, and effectiveness
 - Conduct solid investigations and serve the community with best practices
 - Planning training for shelter staff
 - Adoption Options (Petco)



* National Animal Control Association

Perspectives



Ms. Coleman explained the recent history of Animal Control. She stated that they have proposed and expansion and renovation as part of the CIP future projects. In the meantime, they tried to make some improvements with some maintenance on the building. They put in epoxy finishes which made it more sanitary, repaired the re-circulating heating system in the floor of the shelter, and they did away with the gas chamber prior to it becoming law. In the past two years, they have had three Animal Control Supervisors, the

latest being Leigh Ann Garrard. They have been plagued with staffing problems as they have had work-related issues. Everyone is now healthy and able to work eight hours a day.

She stated that they need more capacity. They have only one bathroom and more office space. There is no good way of letting the public come in and view the adoptable animals which makes it a more positive experience and will increase the adoption rate. It is also hard to manage disease as they are not dealing with smooth, impervious surfaces. They visited the Orange County Animal Center on Friday. They have a wonderful facility with twenty-eight employees. Chatham County actually adopted more animals than Orange County did. She was pleased to hear that.

The spay-neuter from a health perspective, when the Board of Health looked at this and it was funded by the Board of Commissioners, they were looking at if the unwanted animals were reduced, you are also reducing the number of animals without current rabies vaccinations. Chatham County and CARE Animal Rescue are also offering spay/neuter vouchers for low-income and qualified people. When we talk about not having the resources to do the spay/neuter program on top of everything else, they still spend all the money that is allocated to them.

In review and revision of the current ordinance, they are in the process of working with a few of the people that are on the Animal Control Advisory Committee and trying to incorporate the best practices into it. They are looking at some type of tethering or anti-tethering ordinance as well as a proposal for the Board of Commissioners to consider regarding licensure. Those are things that are considered to be best practices.

Commissioner Bock asked the timeframe on that.

Ms. Coleman stated that they hope to have something to the Board by summer. They are about half way through the ordinance review at this time.

Ms. Coleman introduced Leigh Ann Garrard, Animal Control Supervisor who came to Chatham County from Guilford County and stated that she was nationally certified as an Animal Control Officer through the National Animal Control Association. She is a certified Animal Cruelty Investigator with the Law Enforcement Training Institute with the University of Missouri. She is an adjunct instructor with National Cruelty Investigations Academy. She teaches once a month all over the country. She has had various training of animal cruelty with the Humane Society University. She is a disaster animal rescue trainer and certified in technical large animal emergency rescue, certified in chemical immobilization, fire arms safety, use of pepper spray, and she is a member of the NC Animal Federation.

Ms. Garrard stated that one of the things that she has to do on a regular basis is that she trains other animal control officers across the country on cruelty investigations. Animal Control Officers usually do a stressful and thankless job. She stated that there is nothing from which she gets more gratitude than animal control and animal sheltering. One of the biggest things she pushes for is professional training and a professional image for her officers and her staff. She has a great staff and she is molding them to accomplish goals that they, as a County, have and want for their agency. An untrained employee can be an embarrassment and a liability. Her goal is to increase the professionalism and send officers to nationally recognized training so that they have the self-motivation. One of her officers, applied for and received, the Joseph Mancini Scholarship with the National Animal Control Association and won it out of a class of 60-100 people in Atlanta. She stated that she wanted to raise the level of professionalism so that it will benefit the entire County in their services and best practices for the field.

Commissioner Cross asked Ms. Coleman about her staff requirements.

Ms. Coleman stated that with the spay/neuter program and encouraging people to apply for it and making sure they follow through, they need more resources. They do spend all of their \$25,000 allocation.

Commissioner Cross asked if they could do more in the spay/neuter program if there were additional animals without having to bring on additional staff.

Ms. Coleman stated that last year, they had to stop selling the spay/neuter vouchers in March because they knew that the ones that were out there, if they were redeemed, would stay within their budget. Without additional resources to help them administer the program, it would be hard to do it.

Commissioner Bock asked if there was anything that volunteers could do to help out.

Ms. Coleman explained that volunteers are wonderful but take resources to administer. She also stated that they did not have a place to train them.

Commissioner Cross asked if there was a particular day for spaying and neutering.

Ms. Coleman stated that they do. She stated that there are a number of veterinarians who participate in the program. The vouchers can be used at any of the vets. The veterinarians then bill the County at a reduced cost.

Commissioner Cross asked if they were given more money could they not sell more vouchers without increasing staff.

Ms. Garrard stated that they would still have to administer the reimbursement. If there was more money, but it would take more time for the reimbursements.

Commissioner Bock stated that he felt there should be a way to combine the efforts of the County and CARE.

Ms. Garrard stated that CARE has a different income cutoff. They get a lot of the people that the County cannot accommodate.

Ms. West continued with her PowerPoint.

Citizen Perspective

- ▶ Hold elected officials and staff responsible for animal outcomes
- ▶ Feeding strays/wildlife shows compassion for animals
 - Better than involving animal control
- ▶ Spay/neuter is not “natural” or necessary
 - Cultural differences
 - “Miracle of life”
- ▶ The solution is adoption



Animal Control Perspective

- ▶ Stress
 - Doing a job that most of us couldn't do
 - Lack of control over the outcomes
 - Continual abandoned and surrendered animals
- ▶ We're on the same side
- ▶ The solution is prevention



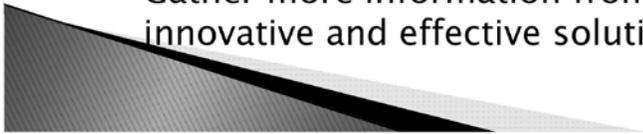
Getting to the solution

“To be of value, information must be useful. If it can't be applied to make programs more effective, it has no value.”*



*from Replacing Myth with Math: Using Data to Design Shelter Overpopulation Programs (handout)

Next steps

- ▶ Define the problem, design the solution
 - ▶ Use existing research to make short-term changes to targeted spay/neuter program
 - Provide sharper focus on qualified ...DSS clients, disabled, elderly
 - ▶ Gather additional information on intake
 - Explore GIS mapping to gather information on shelter intake and targeted spay/neuter
 - Consider including pet-care questions on next Community Health Assessment
 - Gather more information from counties with innovative and effective solutions
- 

Next steps (continued)

- ▶ Use up-to-date information to plan new programs to address specific areas of shelter overpopulation
 - Set measurable goals and objectives
 - Follow up, report on a regular basis
 - ▶ Explore funding and revenue opportunities
 - ▶ Building program with cost estimate by 2015 Capital Budget process
 - Look for potential revenue sources and other funding
 - BoH – Ordinance review
- 

QUESTIONS?



Short-term considerations for GoA

- ▶ Assist with adoptions
 - Pull animals from shelter, foster, adopt
 - Hold adoption events
- ▶ Take the lead on consistent education
 - Moore County willing to provide curriculum and training for their program, 4th grades county-wide
- ▶ Volunteer or refer volunteers
- ▶ Fundraising for CIP



Commissioner Cross asked would Staff at a pay level be able to recoup the cost of their employment with returns if the County had a large enough spay/neuter program. He stated that this might be a way to recoup costs by having a dedicated Staff employee to sell more vouchers and researching for more grants.

Commissioner Bock stated that he still felt they were writing-off volunteers too easily. If we need someone to transport animals to the vet, he feels there are volunteers that would do that. It is too easy to say that volunteers are too much of a hassle.

Ms. West stated that we would still need someone to manage the volunteers.

Commissioner Bock stated that if that was the case, would we not be better off funding CARE, giving them money, and let them do it. He stated that they are getting the job done, with volunteers, and without additional paid staff.

Ms. West stated that she thinks that the County has the resources and with DSS to target populations we suspect are going to be most contributing to shelter intake.

The County Manager stated that one of the things that needs to be done is to determine how much CARE is really doing. We have information from what they say they are doing, but we do not have measurable data.

Commissioner Cross stated that he feels that we need to see what we can immediately do to help Chatham County Animal Control and then work on the other details being discussed after we put together everyone who does this in the County and finish discussing the adoption center. He stated that he feels there is still going to need to be a separate area for intake. The adoptable pets would then go into the adoption center. The other animals would probably stay where they are.

Ms. Coleman stated that it is all done in one facility in Orange County. The county operates that one facility. The areas are separate. She stated that a lot of people will not volunteer with the County or come onto the property because we euthanize animals.

Commissioner Bock asked Ms. Coleman if her department wanted to work with the nonprofits.

Ms. Coleman stated that she worked with a variety of organizations and they work with volunteers; however, if they are going to have a good program where the volunteers get something out of it and the County gets something out of it, you have to have coordination with the efforts within the program.

Ms. Garrard stated that they want to work with an organization with whom they know the background so that they have an established track record of adoptions. They have worked with CARE often because they have that established track record. They are continually coming in to volunteer.

Commissioner Cross stated that this is not on the CIP. The Guardian of Angels has indicated that they are raising money build a facility. Everyone needs to be put together in order to have a harmonious and efficient operation.

Commissioner Bock stated that they were also more than willing to supplement our capital program.

Ms. West stated that we need cost estimates for that building program by the 2015 Capital Budget Process. It has not moved out of the future projects stage so that potential revenue sources and other funding can be sought. She stated that Rockingham County built a shelter with a partnership between public and private funding. Asheville did the same. We first need to know what we would be building.

Commissioner Kost stated that Staff office space also needed to be addressed. It is a tough thing as people are emotional about animals. When Staff doesn't have a good, adequate space in which to work every day, it is hard to create the atmosphere that is needed.

Chairman Petty asked what we do with a nineteen year old building; what do we do to design a building; was there no preplanning; was there no design?

Ms. Garrard stated that the metal buildings were a standard for that time. In twenty years, the animal welfare field has progressed by leaps and bounds. The building was probably adequate at that time. The public has an expectation of what a shelter should be. It should be open, airy, and friendly now.

Chairman Petty stated that we have issues that need addressing. He asked what needs to be done, asking if it was further research.

Commissioner Kost asked if we have any data to understand how many animals the County is receiving from other counties.

Ms. Garrard stated that when they come to bring animals to them, they have to bring their driver's license. They have to be a County resident to be able to surrender animals to them.

Ms. Coleman stated that in 2008, they got a computerized data system for tracking what they are doing. They are trying to use the system to get more data. One of the things that might help is mapping where they are getting the calls, where they are picking up the strays, and where the people come in with owner surrenders. They need to be more targeted in GIS technology in mapping.

Chairman Petty stated that many of the things discussed are long-term, long-range plans. He asked how they go about getting some immediate results i. e. an advertising campaign regarding feeding the feral cats and what kind of problem its causing. He asked if we could start charging for euthanization fee for owners. These are revenue streams that can be acted on quickly. Making sure that all animals that are adopted are spayed/neutered before they leave and cost recovery from the cities can be addressed. What does it take to implement them?

Commissioner Kost stated that the Guardian of Angels have been trapped stray cats and getting them spayed/neutered. She asked if the Board was trying to stop that.

Ms. West stated that she didn't think they were trying to stop it; however, they have to make sure when they are doing that, you are getting every cat and that the colony is being monitored. If there is low income houses around the Feral cat area, and cats are being allowed to wonder, it only takes one cat.

Commissioner Bock stated that if they do nothing, it bound to be worse that if they do 80% of them.

Ms. Garrard stated that there is a part of the ordinance that states that stray animals may not be fed. When they receive a complaint from someone whose property the cats are damaging, then they have to look after the public's concern for the person whose property is being damaged. They have to find a balance of maintaining the colony with that group while enforcing the ordinance as it is on the books.

Commissioner Kost stated that it looks like Animal Control has been involved in the group that has been caring for the animals.

Ms. Garrard stated that they had had several trappings around that area. That once they have started to be fed, they cannot get them to go into the traps when they are being fed elsewhere.

Commissioner Kost asked what we do about it.

The County Manager stated that something had been mentioned about charging the towns. If a fee is set up, they will be informed that they will have to start paying or not have their animals picked up; however, there will be feedback associated with this.

Chairman Petty concurred, but stated that they are responsible for the budgets in their towns and must realize that these services cost something. They cannot expect the County to do it for nothing.

Ms. Coleman stated that there is a minimal mandate for counties to have some type of animal control. She stated that they are looking at the feral cats in the ordinance. She thinks what is happening is that people are feeding colonies but they are not always doing the spay/neuter program or not making sure they have their vaccinations, etc. They are looking at it a part of the ordinance review to have something in place. There are other counties that have counties that have something in their ordinances that require the feral cat colonies to be maintained which means they have to have their ears notched, rabies vaccinations, they have to be spayed/neutered.

Ms. Garrard stated that they were also making sure that the colonies were not visible to the public as it is for the animal's safety and they are relocated to places other than public properties.

Commissioner Kost asked if there was a problem with dog packs in Chatham County.

Ms. Garrard stated that there is a very large stray dog population in Siler City on which they are constantly patrolling.

Ms. West stated that the key to getting revenue from the towns is gathering data to understand exactly what is within the municipal boundaries. You have to understand what is exactly within the municipal limits. And then you have to be starting a relationship with the towns to help them understand what it is you are doing, what is costing, and how this can work together.

Chairman Petty stated that he lived eight miles out of town; however, he has a Siler City address.

Commissioner Kost stated that they were all County residents. We provide animal control Countywide. If you are going to charge someone in the towns for this service, then they should also be charged in the County. They are all Chatham County residents. They are not getting a higher level of service because they happen to live in a municipality.

Ms. West stated that when they sat down with Hillsborough, the options were that the local police force could respond to those calls about dangerous animals, a bite, etc. They agreed with that but instead they wanted to contract with the county to do it.

Commissioner Kost stated that it is probably worth looking at.

Chairman Petty stated that the problem areas, as he sees it, are within the city limits in most cases.

Commissioner Bock stated that we need to gather pertinent information including the least adoptable pets, and target them first.

Ms. West stated that during the budget process, they are going to work on whichever issues they can address. They will be looking at budget, work load, staffing, and GPS devices. In the 2015 capital budget, they will have the cost data and know where they want to go.

ADJOURNMENT

The Chairman adjourned the meeting at 3:20 PM.

Walter Petty, Chairman

ATTEST:

Sandra B. Sublett, CMC, NCCCC, Clerk to the Board
Chatham County Board of Commissioners