

**MINUTES**  
**CHATHAM COUNTY BOARD OF COMMISSIONERS**  
**RETREAT**  
**FEBRUARY 1, 2011**

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The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the Camp Royall, 250 Bill Ash Road, Moncure, NC, located in Pittsboro, North Carolina, at 9:00 AM on February 1, 2011.

Present: Chairman Brian Bock, Vice-Chair Walter Petty, Commissioner Pam Stewart, Commissioner Mike Cross, and Commissioner Sally Kost.

Staff Members Present: County Manager, Charlie Horne; Assistant County Manager, Renee Paschal; Finance Officer, Vicki McConnell; Debra Henzey, Community Relations Director; Lisa West; Deputy Clerk to the Board, Elizabeth Plata.

*AGENDA ~ DAY TWO*

Chairman Bock called the meeting to order at 9:04 AM and welcomed everyone in attendance.

**DISCUSSION OF BUDGET REDUCTION STRATEGIES**

Ms. Paschal stated that she would ask that the Board finalize its budget reduction strategy before they moved on to discussion about the Capital Improvements Plan. She stated that the Superintendent of Schools was present who could provide the latest information on the State budget.

Chairman Bock stated there were two things he wanted to follow up on from yesterday’s meeting, with one being the bookmobile service as a budget reduction item. Although he did not believe anyone had changed their minds on the decision the Board had made, he did believe it made sense to put the bookmobile on the cut list as they considered the entire budget in June.

Commissioner Cross moved, seconded by Commissioner Petty, to rescind the motion adopted at the January 31 retreat on the bookmobile, and to add the bookmobile to the list of items to be considered to be cut from the budget.

Commissioner Kost stated she was very pleased that the Board had decided to take that action because she had been bothered by the process that had been used. She stated she fully supported the motion.

Chairman Bock called the question. The motion carried five (5) to zero (0).

Chairman Bock stated the other item was the budget reduction strategies that had been outlined by Ms. Paschal but had not been acted on by the Board. He asked Ms. Paschal to display the last slide of her PowerPoint presentation which contained a recommended approach. That approach spelled out that priority services would not be reduced but that the departments would provide a 2% cut list, that mandated non-priority services would contain a 2% cut with a cut list of 4%, that other services would contain cuts of 3% with a cut list of 5%, and that non-core, non-mandated services would contain greater than a 5% cut with a cut list of greater than 5%. Chairman Bock stated that the Board had determined yesterday that they acknowledged that the School Board would by necessity have to make many cuts based on the State’s reduction in funding and therefore the County did not need to add to that burden.

Commissioner Petty moved, seconded by Commissioner Cross, to adopt the recommended approach to budget reductions which appeared in the last slide of the Strategies for Budget Reductions PowerPoint presentation provided by Ms. Paschal and outlined by Chairman Bock.

Commissioner Kost stated she had asked Ms. Paschal if they would allow departments to offset any of their cuts by increasing their fees or other revenues. They needed to be aware that some departments had revenues that could be increased so they really did not have to cut their services in order to cut their net cost. Some departments would not have revenues so they would have to take it all in cuts. Ms. Paschal had said that it was possible that the departments could increase revenues in order to offset cuts. Ms. Paschal stated that was correct, unless the Board gave direction otherwise.

Chairman Bock stated that any fee increases would have to be approved as they worked through the budget, so that could be discussed at that point.

Commissioner Kost stated the other issue was that there were some departments that were having new facilities coming on line next year, for instance Recreation would have parks coming on line. That base budget had to be adjusted to reflect that additional cost which they had no control over, or anything that was only partial year funded now had to be fully funded. The Board needed to be aware that that was an issue. Ms. Paschal stated that parks, particularly the Briar Chapel Park and the Northeast Park were coming on line and may begin operating this year. But, she stated, the bulk of the costs would come next year. As well, the Community College had opened two buildings and they had used Fund Balance this year to help offset those additional costs. It was a little over \$70,000 that the Community College's budget would have to increase next year just to offset the use of Fund Balance, plus they would have an extra month at Pittsboro and five months at Siler City to operate those new facilities. The last issue was that the Margaret Pollard School was only budgeted for one-half year's worth of utilities. She wanted everyone to be clear that those were the things that they would have to increase the budget for.

Chairman Bock stated they would need to increase the budget to cover those costs, but that was why they ended up never getting the budget reduced but continued to raise the base. For that reason, he would be against raising the base, and they would just have to identify cuts to achieve that.

Commissioner Kost stated that for the Recreation Department, that was two new facilities coming on line. It would be very difficult to find cuts to offset that, and she did not believe it would be possible.

Chairman Bock stated that did not change the fact that they had a budget problem. Ms. Paschal stated what she was hearing him say was not to increase the base budget but to identify cuts to offset increases.

Commissioner Kost stated they could see what that did to the Recreation budget and then make a decision whether they wanted to cut programs or not. These were two parks and they needed to be accounted for.

Commissioner Petty stated they had determined yesterday that they needed to cut about \$4 million from the budget, and that would obviously involve some hard choices. But, they would have to share equally in the cuts in non-essential services to achieve that. He was not sure increasing fees would solve the problem, because everyone was experiencing a budget crisis.

Chairman Bock stated it was unfortunate that they had taken on those obligations without considering what those obligations would do to their budget.

Commissioner Kost stated they had considered that and it was not fair to say they had not done so.

Chairman Bock stated that did not change the fact that they were going to have to make cuts, and believed that every department would give them reasons why their base should not be cut.

Commissioner Kost stated that it was a misnomer to think that just because something was in the budget that it got incrementally increased. She had mentioned to Ms. Paschal that there were many departments that had one-time expenses for whatever reason that needed to be adjusted from the base budget.

Chairman Bock stated the bottom line was that they had to spend less money.

Commissioner Petty stated that removing those one-time expenses would lower the base rather than starting with the current base figure.

Chairman Bock stated that if they adopted the suggested approach, the technicals on how to apply those cuts should be up to the staff. If the Board adopted that approach then the departments would have to come forward with a budget based on that adopted approach. Mr. Horne stated they were also showing how there might be some flexibility, such as having a cut list at 4% but a goal of 2%. There may be some they wanted to use the 4% to get 1% in some other place. The idea was to give the Board the flexibility to do that. Mr. Horne said in regards to recreation, as an example, they could alternate different fields coming on line so they could anticipate what those costs might be and then determine whether they wanted to make cuts. Another option would be to do a mid-year opening and delay some of those costs. His point was there were alternatives to provide flexibility.

Chairman Bock stated he wanted to stay away from tying the Manager's hands too much on what he could recommend.

Commissioner Kost stated this discussion was important since they had just learned that they did not want to adjust for partial years. This discussion would give staff clear direction so that come May they were not surprised. The last issue she wanted to mention was that departments like the Board of Elections were not incremental budgets. If you plotted expenses for the Board of Elections you would see they followed the election cycle, so there needed to be flexibility to handle those cyclical expenses.

Ms. Paschal stated she wanted to address the question that had been raised yesterday as to how much the proposals would cut from the budget. She stated to provide the Board with a very rough number she had pulled together the net costs from every department, and assuming they eliminated the transfer to the Parks Capital Reserve, it was about \$900,000. With the other cuts already made this year the total reduction to the budget would be \$1.5 million. That did not take into account eliminating any services; it was just the target cuts of 2% and 3%.

Commissioner Petty stated when they phased out those one-time expenses that should not be considered as a budget reduction. He would not want to see departments use those to show a reduction.

Chairman Bock stated the reality was that even if they adopted this approach they would still have to dig deeper, assuming the numbers were close to yesterday's outlook. Ms. Paschal stated that yesterday was to provide the Board with an idea, but they did not yet know what the State would do in terms of withholding funds or passing on responsibilities to the local governments. What she had tried to do was provide the Board with a worst case scenario. Chairman Bock stated then that number she had provided was based on the cut list percentages, and that figure could change.

Chairman Bock called the question. The motion carried five (5) to zero (0).

Commissioner Kost stated they learned a little more each year, and last year they did not do as good a job as they could have in making sure that the community knew when they presented the budget and why some of the cuts were made done. They all knew they could have done a better job in letting citizens know that the bookmobile was on the table to be cut. She would like to stress from a communications strategy that when they did present the budget that everything was clearly laid out and communicated to the public so that they could weigh in.

### **CAPITAL IMPROVEMENTS PLAN (SCHOOLS)**

Ms. Paschal stated that at each of their places this morning she had provided a copy of yesterday's budget forecast that was more readable, with a list of services broken down by

mandated and non-mandated. She had also provided the CIP presentation that had been provided a month or so ago, as well the Operations Research and Education (ORED) study requested by Commissioner Kost and a list of the advisory boards and committees and their purpose.

Ms. Paschal stated the projects that needed to be discussed were the ones that were new projects and those that did not have contracts. She suggested that they discuss the high school first since Mr. Logan was present.

Mr. Robert Logan, Superintendent of the Chatham County Schools, stated that for some time there had been discussion in the County relative to the building of a new Grade 9-12 high school somewhere in the northeast section of the County. It had been under discussion for a long time and was actually scheduled to open in 2011. The Schools used a group out of NC State that did population projections, growth projections, etc. not only for school districts but for municipalities, universities, and others that needed such projections to determine growth patterns.

Mr. Logan stated they had asked the Board of Education to move from a two to three year update on the ORED numbers to an annual update so that they could keep a better handle on the rapidly changing picture relative to growth projections in the County. Those projections had been presented to the School Board on January 10 and those projections were included in the handout. If you looked at the column for 2010-2011, the red strand represented middle schoolers, the green strand represented high schoolers, and the blue strand represented K-8 students. Presently what they had in the pipeline was a significant number of middle schoolers whose numbers were expected to peak in the next three years, moving from 1,770 to 1,894. Three years beyond that those same children would reach ninth grade level, so in 2013-2014 they would see the numbers begin to increase over those next three years in high school numbers before they were projected to drop back again.

Mr. Logan stated that yet and still, from 2011 to 2019-2020, they were projecting that they would see about a 300 student increase in grades 9 through 12. Presently, if you looked at the number of seats they had in the three high schools, Chatham Central, Jordan Matthews, and Northwood, they would accommodate some growth within their existing configuration. Jordan Matthews was over capacity, with Northwood at capacity and Chatham Central under capacity. When they looked at all the questions about the capacity of Northwood, bricks and mortar, the building would accommodate about 1,005 students but they had a pod and some modulars on the campus.

David Moody, Assistant Superintendent for Auxiliary Services and Athletics, stated that the pods and modulars would take their capacity up an additional 325 students, for a total of 1,330 students.

Mr. Logan stated that was not ideal because they really did not want students in pods and modulars; they wanted them in a building. Northwood had about 980 students at present, and those pods and modulars were presently in use. That 300 student growth would not all be from the northeast district, noting that there would be some growth in the northeast but there was some growth taking place in the Siler City area. But, there had been no growth in the Chatham Central area over the last three years. There was some discussion by the Board of Commissioners last year that they believed the projection numbers were low, and they had been right, in that they had about 30 more high schoolers come in than had been projected. So, they had gone back to determine where those students had come from, and it was determined that those students had moved into the area and that was why they had not been anticipated. Some moved in with other relatives, and whether they were considered a transient student or not they were living with a relative in the school district. Some had come with their families, so there had been some permanent growth. The majority of those 30 high schoolers who came in were in the northeast area and were attending Northwood.

Mr. Logan stated another issue was that the ORED researchers believed that either the school system was continuing to receive students or that they were doing a better job of hanging on to the ones they had and making sure they graduated. Yet, with all that information, they were still forecasting about a 300 student growth over the course of the next ten years. He would submit to the Board that it was not a matter of if but when they would need a new high school. They would need a new high school at some point in time, and they needed to be poised and ready to build it when the growth began.

Mr. Logan stated what they did not know and had no way to forecast was at what rate the growth would take place. They looked at live birth trends, they looked at housing projections, they looked at children who moved into the school district from outside the district, and they looked at the children that were already in the pipeline, but there was still no method to project at what rate the growth would take place. Looking at when to begin a high school, based on the projections they had, told them that the start of building a new high school could be delayed somewhat.

Commissioner Kost asked had the Board of Education voted to do that. Mr. Logan stated they had.

Chairman Bock asked had the Board of Education voted just to delay it or to delay it to a date certain. Mr. Logan stated they had voted to delay it until the growth trend indicated it was time to move, so they needed to be poised and ready to begin work at that time. It took three years to get a high school planned and on the ground, with one year devoted to planning, and 24 months or so to actually construct a building of about 170,000 square feet.

Mr. Moody stated that was one of the reasons that the Board of Education had directed them to have a yearly ORED report so that they would have more accurate figures annually. Once building in the County picked up and more families moved in, they would be able to come back and say that it was time to begin the high school.

Commissioner Kost stated she was a part of the group that had believed the projections were low and they had been right, and she did not believe these projections either. It had been said that the projections took into account housing trends, but what it did not take into consideration was the number of housing units that had been approved. In Chatham they knew that number was much higher than what the trends showed. The trends were based on the numbers during a recession, and she agreed that things would turn around but she did not believe that the Northwood number of 1,155 in 2020 was anywhere near what it would be.

Chairman Bock asked what she was basing her statement on.

Commissioner Kost stated she was basing it on their methodology for developing the formula. Their trends were based on housing starts during a recession, and they knew that things were beginning to turn around in the real estate market. Briar Chapel was becoming successful, and if they wanted it to remain successful then the high school needed to be built. It would help all of the communities, because this school would help economic development. She was basing her skepticism about the projected figures on the way the researchers had factored in the housing trends because it was based on recession figures over the last three years which had been flat. If they believed they would be in a recession for the next few years then they could put off building the high school, but if they believed that things were turning around then she believed they needed to leave the high school in the capital plan. Commissioner Kost stated she also wanted at some point to have a discussion about impact fees.

Chairman Bock stated that the projection figures were just a guess but believed it was important to have those projected figures. One thing that kept coming up that he was having trouble understanding was housing trends versus the number of houses approved. The number of houses approved had no bearing on the number of houses that would be built in the next few years. The County could approve 100,000 houses but that would not speed up construction. The fact that they may have 10,000 or 20,000 houses approved would not affect the trends. He was trying to find the connection between housing trends and homes approved. On one hand you had the market saying who was moving in and when, and on the other you had got elected officials saying how many houses had been approved.

Commissioner Kost asked was he suggesting that they ignore that Briar Chapel had been approved.

Chairman Bock stated he had not say that; he said to tell him the connection between 10,000 houses approved to the trend. He did not see it, in that when completely built out Briar Chapel was 2,283 homes, and the best projections from the realtors and Newland which were likely more optimistic that most was a 10-year build out, but it was probably closer to 15. Other houses were approved but nothing was taking place.

Commissioner Kost stated what they were saying with those projections was that nothing would ever happen.

Chairman Bock stated in some of those cases nothing would happen.

Commissioner Kost responded but not all of them.

Chairman Bock stated in the next three years a good number of them would have no activity.

Mr. Logan stated that ORED they did not stand behind their numbers for more than three to five years out. That was why he had asked them to take a look at it every year to see what the trends were showing them. They did not look at actual houses approved; they looked at actual children and if there was growth; that is, people actually moving into homes.

Commissioner Stewart asked did they take into consideration that some of the homes may be for retirees. Mr. Logan replied yes, that was a part of what they looked at.

Chairman Bock stated they looked at where the activity was taking place. Mr. Logan said that was correct, noting that Briar Chapel was included as a growth area.

Commissioner Petty stated he believed they were doing the best they could do by having those annual reports and keeping the school in their sites and being able to adjust the timeline based on those annual reports. That was as good as they could do. Mr. Logan stated that timeline was three years; they needed to keep it within a three-year action range because it would take that long to do that.

Commissioner Kost stated that the architect had been almost finished with the plans, and that had been a six to nine month process. So, when you said three years you had to take into consideration that they had already invested part of that time and money into the process.

Chairman Bock asked did that mean they had even less time. Mr. Logan stated if they stayed with the plans as presented, yes. Another advantage of acting now was that because the Commissioners had moved ahead and found funding and had built Margaret Pollard when they had, they would be able to give some money back. There had been a significant savings on that project because of when the school had been built. Contractors had been looking for work and they had gotten better rates on materials, so the school had been brought in under budget. Since the time the high school plans began it was estimated to cost in the high \$20 millions, and they were now at \$44.5 million. The longer they pushed that high school out and waited, the more it was going to cost. If they waited another three years before they built it, then it would likely be more than \$44.5 million.

Chairman Bock stated if they built the high school now, would there be any negative ramifications to the existing high school. Mr. Logan stated it would do two things. First, when a new facility was brought on line there were annual operating costs, and at this point the County had worked into its budget about \$778,000 to operate Pollard annually. To open and operate a high school, they would be looking at about \$1.5 million in annual operating costs. Second, if they opened a school before the numbers indicated or justified the need, and they split a school with 1,000 students and cut that number in half, then they would have a County with three 500 student high schools and one 750 student school. So, they would have four of what would be considered small high schools.

Mr. Logan said to get into the research, of which he did not agree with all of it, some of the research would tell you that small was better, that you could have more hands-on direct contact with students in smaller settings, and that you could do a better job of planning and monitoring students and making sure they were doing what they were supposed to do. You could provide hard-to-staff courses now via technology and provide distance learning. They now had agreements with all of the UNC schools as well as with the NC Virtual Public Schools and they could bring live interactive instruction into the classroom via media. However, there were still things that had to happen in a high school that you had to have an appropriate number of children to justify happening, such as delivering the overall core courses. In order to be able to staff those core courses, such as English and math, sciences and social studies, career technical education and foreign languages, you had to have "x" number of students in the schools. The

research indicated that the best size to run a high school was somewhere between 900 and 1,200 children.

Commissioner Kost stated but yet, they had two high schools in the west, with Chatham Central with 457 students. She asked why they had not considered closing Jordan Matthews and expanding Chatham Central. What he was saying was that they could not provide the core services for a small school but yet they had a small school at 457 students. Mr. Moody stated when he was principal at Jordan Matthews that had come up, and there was actually a plan presented not to build Virginia Cross; the proposal was to build a high school in that area and then turn the two high schools into middle schools, and Chatham Middle would then become the Virginia Cross. That was to solve all of the problems in the western part of the County by building one school. When the School Board considered that, people had been bitterly opposed to it so the idea was dropped. But, it did make economic sense to build that one high school in the western part of the County but not enough people supported it.

Commissioner Kost stated she had suggested last year for the School system to consider that because they did not know when the economy would turn around or when those approved homes would be built, to build the high school in such a way that a part of the school could be used as an elementary school and part as a high school. That would satisfy the need for an elementary school and then as they grew into the high school they could build an elementary school. She understood that there would be logistical issues but believed it was doable.

Commissioner Petty asked was she proposing that they have a K-12 school.

Commissioner Kost replied no, that the way schools were designed there were wings so you could isolate the younger grades from the high school. There would be logistical issues to work through such as the cafeteria and the library, but you could use one part of the school for an elementary school and the other part for a high school.

Mr. Moody stated Commissioner Kost had brought up a very good point. They had contracted with ORED to begin looking for property or an ideal location for an elementary school. Even with Margaret Pollard opening, North Chatham was still over its rated capacity. To put an elementary school in with a high school would be only a temporary fix. At one time there was an elementary, middle, and high school in the long range plan but the elementary school had taken a back seat. But, the School Board would be coming back next year with a recommendation on that elementary school. Looking at the numbers today the elementary school was more pressing than the high school.

Chairman Bock stated that was what he had understood from the School Board's retreat, but it did not appear that all the members were in agreement. He asked what the School Board's position on the order that schools should be built. Mr. Logan stated that based on the School Board's conversations, he believed that they were of the opinion that they needed to build the high school first, but he believed they needed to have more discussion about the elementary school numbers. As they moved through this year, he would be looking at what options would exist to do something like what Commissioner Kost had suggested, and if there were other school districts around the country that had tried that and how it was done. There were examples, such as in Wake County, where there were K-5, 6-8, and 9-12 schools sharing the same campuses.

Commissioner Kost stated she was not talking about a K-12 campus, but something to address both needs on a temporary basis. It was clear to her that they would need a high school, but because they were going to need an elementary school she was suggesting building a high school in such a way that they could temporarily house a K-5 school. Mr. Logan stated the most logical approach to do that would be to build the school in phases with the intention of it being a high school, but start it out so that it would serve the K-5 since their numbers showed an immediate need.

Commissioner Petty stated he liked that idea better.

Chairman Bock stated that idea was appealing, but his concern was that when you tried to move children to a different school there was a lot of opposition.

Commissioner Kost stated she did not believe it would be an issue if people understood that it was a temporary school. With the right communications it could be done.

Commissioner Kost stated she believed that she and Commissioner Cross likely shared the most concern about the distance that students had to travel.

Chairman Bock stated he believed they all shared that concern.

Commissioner Kost stated the district which she represented was promised a school. Of course, the promise was from a realtor, but they had moved into the community believing that there would be a high school. In actual distance, not miles, those people were almost 25 miles from a school. The people in the very northeast corner of the County in what was called the lost corner were almost 35 miles to a high school. She asked was that what they wanted for their community; that is, to have a school so far away. She remarked she certainly did not.

Mr. Moody stated that Moncure had the same issue.

Commissioner Kost stated she was not trying to exclude Moncure from that, noting they had heard from Moncure residents about the long bus rides. Mr. Moody stated he would possibly argue against that area because they now had two elementary schools that were very close to one another. They were getting concerns from parents on the eastern side of the lake, and that area would continue to grow as Cary spread out.

Chairman Bock stated what he heard them saying was that the School Board did not necessarily need a high school in the next two years, but wanted to make sure it was in a three-year plan or at least have three years to get it accomplished. And, that next year the Board would likely hear a proposal for a new elementary school. Mr. Logan stated that was correct.

Commissioner Kost stated that at present the opening was scheduled for 2015, and asked was there some proposal to adjust that or to leave it as is.

Chairman Bock stated he believed they were saying they would not need the new high school in 2015. Mr. Logan stated that was correct, in that they could push it back until the growth justified it. Chairman Bock stated but it needed to be left in the plan. Mr. Logan stated yes, and that they would act within a three-year period of time to get it built. Chairman Bock stated it could remain on the plan, but what he did not want to do was to begin raising property taxes prematurely. He asked to keep it on the plan, how far should it be pushed out.

Ms. Paschal responded they could push it out one year to 2016 because that was the farthest it could be pushed out, unless they wanted to extend the timeframe in the CIP.

Commissioner Kost stated that would entail rescheduling projects throughout the entire CIP. Ms. Paschal stated she did not believe so. Commissioner Kost stated she could not vote for a CIP if they extended it for a few years due to one project, noting that made no sense to her.

Commissioner Cross suggested keeping the school on the list with the caveat that it would be built three years from the appropriate growth start. Mr. Horne stated that would be 2016 based on this conversation. Next year if the annual ORED report indicated otherwise then they could just move it back.

Chairman Bock stated if it was in the CIP and it was warranted, all they would have to do was to get started. Perhaps by then they would have configurations to consider that would address multiple needs.

Commissioner Cross stated his concern was that if they pushed it back a year and that every year that year changed, that the public would see it as them fudging on the high school even though they had not. They would not have fudged on the high school but simply stamped it to be built when growth dictated.

Commissioner Kost stated but they already had the plan, but what would they do to pay for it.



Chairman Bock stated that was where their economic development would have to come into play.

Commissioner Kost stated that was why they needed the school, in that the school would help with economic development.

Chairman Bock stated the proposal now was to move the high school out to 2016.

Commissioner Stewart stated that would mean they would be building a high school and an elementary school at the same time. Mr. Logan stated they would be close around the same time. Commissioner Stewart stated then they would be faced with finding funding for two schools at once as well as operating expenses on top of that. Mr. Logan stated that was correct, noting that an elementary school would cost \$18 to \$20 million to build, and a high school \$45 to \$50 million.

Chairman Bock stated then on top of the debt service they would have operating costs. Ms. Paschal stated they had not yet looked at that to see if they could afford to cover operating costs for both schools at the same time. Chairman Bock stated it was important that people understood what that meant, so that as they got into economic development ideas that they be open to options. Ms. Paschal stated one of the reasons they would have to raise additional revenue in order to get the high school built as currently scheduled was because building growth had slowed down in the County and their impact fee revenues were not as high as they had been in the past. On top of that the State had taken some of the County's lottery money, so when the growth picked back up the revenue streams would start back up with that growth, and it was possible that the growth would be robust enough not to have to raise taxes. That was something to keep in mind, because if they kept the high school on schedule and they did the other projects on the CIP which they believed were urgently needed, they would have to raise additional revenue. If they waited and continued to look at the numbers, then the revenue stream would come with growth in those numbers.

Commissioner Kost stated she believed they could leave the high school in at 2015 and then re-evaluate it next year. Commissioner Cross was absolutely right in that the public saw them as pushing off the school and people were making life decisions based on that school being on the plans, and the school was supposed to have opened now. She understood the numbers did not support that at present.

Commissioner Petty stated those people were living in the same world as everyone else, and they knew that there was no way to predict what the future would be in terms of growth and the high school had to be pushed out.

Commissioner Kost stated it had been, in that it was supposed to have been built four years ago. She supported re-evaluating it next year but not pushing it back another year.

Chairman Bock stated then it appeared the only question was whether to leave it in 2015 or move it to 2016 in the CIP.

Commissioner Kost stated they had not even talked about impact feed.

Chairman Bock stated that was true, but they would need to get there soon.

Commissioner Cross stated moving it back to 2016 would work for him.

Commissioner Petty stated it would work for him as well, and if they got figures showing renewed growth then they could pull it back up a year.

Chairman Bock stated he believed that most people would understand that they were committed to building the school and to build it slightly before it was needed. But, they did not want to be in a position where it was an emergency situation and he did not believe they were there yet. Mr. Logan agreed.

Chairman Bock stated that both Commissioner Petty and Commissioner Cross had both said they were comfortable with moving the high school out 2016, and Commissioner Kost had said to keep it at 2015. He asked Commissioner Stewart for her preference.

Commissioner Stewart stated she was comfortable with 2016.

Chairman Bock stated then the majority vote was to keep the high school on the plan but move it back one year to 2016, and then next year re-evaluate it along with the annual growth projections. He asked if they needed to take a formal vote today. Ms. Paschal replied no, that any changes made today would be inserted into the CIP for a later vote. Chairman Bock asked was there any further discussion on schools.

Ms. Paschal stated that there had been discussion about adding a northeast elementary school as a future project, but since they did not have any cost data available they could not schedule it on the CIP. She asked if the Board wanted her to add a northeast elementary school as a future project.

Chairman Bock stated he would like to go back to the conversation about amending the CIP. Many of the projects were more than five-year plans and in some cases were much more. If they extended the CIP to be an eight or ten-year document that would give them better planning long term. They all understood the numbers and that they would not be able to do any modeling, but it would signal what they were planning long term.

Commissioner Kost stated she had prepared both five-year and ten-year CIPs, and she could say that years six through ten were up in the air because no one knew what the revenue streams would be. But, what they would have communicated to their citizens was a commitment to do a project in that time period. She cautioned that if they wanted to go to a ten-year CIP that it would all be very mushy between years six and ten and the revenue would be indeterminable. The other issue was that they would be telling the community of something planned and there would be an expectation that it would come to be. What they had failed in with the high school was that there was an expectation by the community that it would be built, and while the Board understood why it had been pushed out the community did not always understand.

Ms. Paschal stated that the CIP already addressed that to an extent but she was not sure the Board would be satisfied with how that was addressed. It included future projects which were envisioned to be within a ten-year timeframe but they were not needed now and that was why they were not in the five-year plan and that there was no cost data. It was very hard to schedule a project unless you knew how much it was going to cost.

Commissioner Kost asked if the northeast library was in the long-range plan. Ms. Paschal replied no, because they did not have the debt capacity.

Chairman Bock asked if it were completely up to her, would she go to a ten-year plan or did she prefer the way it was done now. Ms. Paschal replied that her experience had been that almost across the board that departments and agencies waited until projects were within two or three years, and did not really fully utilize the five-year time span of the CIP. She could see that in some cases it might be useful but she was not sure that departments could plan that far ahead.

Commissioner Kost stated they would have to make it all fit as well, such as the revenues and the debt, and that got very tough to do in those longer years out. Ms. Paschal stated she would advise not to go out beyond seven years if the Board was interested in extending the timeframe, in that ten years was really a long time.

Commissioner Petty agreed that once they got many years out that the plans became unstable, but at least they would have a target. He believed that citizens were smarter than they gave them credit for, in that they would understand that the County could only do what they could afford to do, and just because it was listed on the CIP did not mean that they were locked into building it before funds were available.

Commissioner Kost stated it was a little different where she lived, because it was an expectation. They were living in an environment with higher density development and they were paying a lot in taxes but not seeing a whole lot of services in return. She gave citizens a lot of credit for being very smart, but they also understood that the schools were an economic development tool.

Chairman Bock stated that extending the CIP out to seven years would force the Board of Commissioners to talk about those long range plans every year, and if some project was not on

the plan then there was a chance that something else would come up and the original project could be forgotten completely.

Commissioner Petty stated that it would also help on the economic development side of it because it would show that the Board was looking far enough down the road to try and get projects completed.

Commissioner Kost stated she was okay with extending the CIP out to seven years, but ten was just too far.

Commissioner Stewart stated that at times things in the CIP got bumped out and fell off the radar and then all of a sudden they reappeared after several years. She asked if there was a way to do a better job of tracking projects and identifying a need to make sure they did not have projects popping in and out of the CIP. Ms. Paschal stated they tried to do a good job, and for future projects they could look at the list but it was very difficult to add a project if they had no cost data. If the Board wanted to add a project they would have to apply planning funds to the direct cost estimates.

Chairman Bock stated that even with that there would still be a list of future projects. Mr. Horne stated it was important to be aware that at times something would get bumped because of some outside environmental condition that required it.

Commissioner Kost stated they still had not talked about how they would pay for it, asking would there have to be a General Obligation bond. If it was still in the CIP then they had to identify a way to pay for it. Ms. Paschal stated that it was her understanding that it would remain in the CIP and when growth started that they would at that point determine funding. Commissioner Kost stated but if it was in the CIP then they had to have a way to pay for it. Ms. Paschal asked did the Board want to raise taxes now for something they would not necessarily be doing for several years. Commissioner Kost stated they had not talked about the impact fee. The impact fee was developed to help pay for new schools, and would the Board be looking at increasing that fee. That should be on the table as a way to help pay for the new school.

Commissioner Petty stated that was a discussion they needed to have once they got more input from the School Board.

Chairman Bock stated he was personally not open to raising impact fees at this time. If they saw some growth that would require that they build a school, then they would then have additional impact fee revenue without raising the impact fee.

Commissioner Kost stated if they increased the impact fee to build the school, then they would receive even more impact fees because the school would help those developments already approved to be built. She asked would they be looking at a General Obligation bond for the new high school.

Chairman Bock stated he did not believe that needed to be addressed now.

Commissioner Kost stated she believed they did, because as staff had pointed out it would be very difficult for a bond to pass when it only had one project on it, so they did need to be looking at a bundle of either school needs or County needs. If they were going to have a bond referendum they needed to be planning to package all those projects so that they would make a complete bond package.

Chairman Bock stated they could package the elementary school and the high school together.

Commissioner Kost stated not if it was just to serve one part of the County because that would make it very difficult to get the bond passed. There had to be other projects, such as upgrading Jordan Matthews, so that every part of the County would benefit in order to get full support for the bond. They were not inventing needs, but they were spreading the services throughout the County. Ms. Paschal stated to keep in mind that in doing that they were also driving up the cost.

Chairman Bock stated right now he did not believe that was a decision they had to make.

Commissioner Petty asked staff was that a decision that had to be made now. Ms. Paschal stated that if the high school was moved to 2016 and they were committed to looking at the growth each year and allowing that number to determine when the high school would be started, to her that made more sense than prematurely raising any rates to pay for a high school. Commissioner Petty stated he agreed with her.

Commissioner Kost stated it was her experience in developing a CIP that you needed to make the revenue and the expenditures match as well as know what the source of that revenue was. Ms. Paschal stated she agreed with that in principle, but the strategy was to look at it each year and then start the clock ticking, then why not wait and see where they were revenue-wise before they prematurely raised any taxes.

Commissioner Kost stated she was not advocating raising taxes but was advocating that if the citizens voted to raise the taxes to build the school then was what they would do.

Commissioner Stewart asked when the elementary school was planned. She stated it appeared they would need an elementary school before they needed a high school. If they moved the high school back to 2016, then where would the elementary school go. Mr. Logan said it was his opinion that they would need the elementary school before the high school, so based on the numbers and the fact that the existing elementary schools in that area were over or at capacity they would likely need a new elementary school in the next 24 to 36 months.

Chairman Bock stated then they would need to get data on that fairly quickly. Mr. Moody said they were in the process of working on that now.

Commissioner Kost asked was there any excess capacity in any of the elementary schools. Mr. Logan replied yes, but in other areas of the County.

Chairman Bock stated he was not advocating for or against redistricting, but from what they had heard they had some schools over capacity but some were under capacity, but the School Board was saying they needed another school. In addition to the cost savings, there was some leveling out that was needed. Mr. Logan stated the plan that was being prepared for presentation to this Board on the 17<sup>th</sup> would bring every school to under capacity in the school district.

Mr. Moody said that plan would reduce the need for the elementary school, but it would not eliminate it as far as right now. Eventually it would come back, but it would get all of their schools under capacity. That had been a complaint in the past and was a reason to redistrict, but they had not realized it would be such a challenge.

Commissioner Stewart asked would they have to bus students in order to achieve that. Mr. Logan stated there would be some transportation implications but not as much as you would think, because the buses were already traveling the roads. Commissioner Stewart stated but the routes would be longer. Mr. Logan stated that some children would have a longer bus ride and some would have a shorter bus ride, but it would not change the distance that the buses traveled.

Commissioner Petty asked what about the implications of moving children around and the modifications that would be necessary to accommodate the different grades. Mr. Moody stated there would have to be consideration given to that. Commissioner Petty asked if that was taken into consideration in the numbers.

Mr. Logan stated yes, and that most of the modifications would take place only at one site; if Bonlee were converted from K-8 to a 6-8 which would require that they build an appropriate gym at that school.

Commissioner Petty asked how that would reduce the pressure in one area if the pressure was reduced in another area. Mr. Logan stated they were proposing moving children out of North Chatham to Perry Harrison and Moncure, and some Pittsboro Elementary children would be moved to Perry Harrison and some to J. S. Waters.

Commissioner Kost asked who would be moved to Pittsboro Elementary, because they had excess capacity. Mr. Logan stated they would move the fifth grade from Horton over to

Pittsboro and then pull some of the Pittsboro children out and move them to Perry Harrison and to J. S. Waters as well as some to Moncure.

Chairman Bock stated that would be an annual occurrence. Mr. Logan replied that was correct, and he wanted to drive home the point that it would not be a one-time thing but would be an annual occurrence.

Mr. Moody stated they had three schools on the western side, Silk Hope, Bennett, and Bonlee that were all either at capacity or over capacity now. In their redistricting plan all of those schools would bring all of those under capacity as well.

Commissioner Kost stated that Bennett only had 232 students, but they had schools on the other side of the County with 600 students. Something did not seem right about that.

Commissioner Cross stated they had recently built Virginia Cross which he assumed was working well, could they use that as a prototype and save on design fees. Mr. Logan stated they certainly could look at the Virginia Cross prototype which was working well, and with some modifications they could save architectural fees by not having to design an entire new school.

Commissioner Kost stated they would have to modify the plans to fit the site. Mr. Logan said yes, which would carry some cost but there would be some savings.

Mr. Moody stated they could do that, but there had been some opposition to the architect who had built that school.

Commissioner Kost stated the State had some prototypes that could be considered.

Mr. Logan stated it had been challenging working with that architect.

### **BREAK**

Chairman Bock called for a short break.

### **CAPITAL IMPROVEMENTS PLAN (SCHOOLS) – CON'T.**

Chairman Bock stated after they completed their discussion regarding the schools he believed the next item on the agenda was the debt model. Ms. Paschal stated they could talk about the debt model or they could talk about the other projects in the CIP.

Commissioner Kost stated they would need to talk about those other projects at some point, noting she had questions. Ms. Paschal suggested going through the projects after the discussion regarding the schools, and they could then talk about the debt model.

Mr. Logan thanked Chairman Bock and Commissioners Stewart and Kost for attending the dedication of the Margaret Pollard School on Sunday, noting it was a wonderful facility that would provide a lot of educational opportunities and experiences for the children of Chatham County.

Commissioner Kost stated she had talked with a teacher on Sunday who had said it was phenomenal to watch the change in the children and the pride they were taking in the schools, and that all of a sudden they had a new maturity about them. She thought that was an interesting insight on the teacher's part that the school had changed the students' whole attitude.

Mr. Logan stated that it was a pleasure working with administration of the County, noting he had been in eight State school districts as well as the State Department of Public Instruction. He had worked with some very challenging commissioners and county administrations and it was a pleasure working with the individuals on the Board of Commissioners and the staff, particularly Mr. Horne, Ms. McConnell and Ms. Paschal. They communicated well and interacted with one another to share information. It made these tough times more tolerable.

Mr. Logan provided a quick overview of the budget, noting that the most recent figures of a \$3.7 billion State deficit may now be as high as \$4 billion.

Commissioner Kost commented that on Sunday Senator Atwater had said the deficit was now at \$4.1 billion.

Mr. Logan stated everyone he had talked with agreed that was very likely the real number, and if the deficit was \$3.7 billion which was what they had built their budget on, then Chatham County's share of that loss would be \$4.5 million in State dollars that they presently had plugged into the school system and was providing jobs and services. When you placed on top of that another one-half million for continuation items such as rising health and hospitalization costs, increased retiree costs, increased utility costs, and increased insurance coverage, that was another one-half million. Then, there was the loss of federal funds they were using to operate the SAGE Academy of \$312,000. That would take them to a deficit of \$5.3 million, and that was before they had talked with the Board about hopefully no loss of local funds. If the State deficit indeed went from \$3.7 billion to \$4 billion or \$4.1 billion, then they would have to go back and refigure that number. But, at present they were operating under a \$5.3 million deficit.

Mr. Logan stated they were looking at the different ways to balance that, noting they had been frugal in that they had saved over \$2 million in Fund Balance they could apply back to their budget next year. But, that was a one-time thing and next year they would start with that hole in Fund Balance. They were also projecting Central Office and district-wide cuts in excess of \$1 million. What the community needed to understand was when you started cutting out district-wide services and Central Office administrative personnel then some things they had been doing they would no longer be able to continue to do.

Mr. Logan stated that the redistricting reorganization was an effort to save recurring costs, an effort to create equity of services in the schools, and an effort to save services so that they would not have to be cut. Those services would include administrative, curriculum assistance, band, foreign language, career/technical education, and in some situations art and music. They were trying to not only keep those things in the schools, they were trying to equalize that equity of what every student received. That was all a part of the redistricting reorganization. Another piece of it was that not only was it a cost savings, it would reduce the number of positions they would have to cut so it saved jobs, that it maintained an equitable level of those types of services for all students, and that it brought all of their schools under capacity. It was being proposed for all the right reasons.

Mr. Logan stated that they had a PTA Thrift Shop Board in Chatham County operating the Thrift Shops that provided more than \$450,000 a year back to the 17 schools, and that in the past the schools had been able to use that for extra things to enhance education. But, in 2011-2012 they would have to use those funds for needs.

Mr. Logan stated that they wanted to operate their schools efficiently and still provide a high quality of service to the children in their schools. If the decision was made to do something else, then it would require more cuts to the schools. If they took the Fund Balance they would be putting back in and the \$1 million in district-wide and Central Office cuts, that still left them close to \$2 million they still needed to offset. That equated to the cost of 18 teachers or for 40 teacher assistants. The State was rumored to be considering increasing class sizes plus reducing the number of teachers needed, funding teacher assistants only in grades K-1, cutting by half in grade 2 and no teacher assistants in grade 3. The State was discussing cutting their salaries, they were discussing not paying the 12% to the National Board Certified teachers, and having them pay a portion of their monthly insurance costs.

Commissioner Stewart asked what they paid now. Mr. Logan said at present it was free, and the proposal was that they may be asked to pay towards that cost at \$25 to \$35 a month. If an employee covered a spouse or a family, they paid that cost, but the cost of the individual policy was free.

Commissioner Petty stated if that happened it would apply to all State employees; not just teachers. Mr. Logan stated that was correct.

Commissioner Kost asked what that would do to the locally paid teachers. Mr. Logan stated they would have to pay that cost as well. He stated at one time he had floated the idea of redirecting \$1 million from the teachers' supplement into the operating budget to balance it, but he wanted to take that off the table because he believed they would not need to do that. When

teachers were looking at a third year of frozen salaries, a reduction in force, paying a portion of health costs, and perhaps losing other benefits they did not know about yet, to take 33% of their supplement was just too much.

Commissioner Kost stated they had seen a chart yesterday showing that the County was below counties that Chatham competed with, so she would agree that should not be on the table for consideration. Mr. Logan agreed, noting that had been a suggestion on his part and not a suggestion by the Board of Education, and he no longer believed it should be supported. It would not be proposed and would not be on the table for consideration.

Commissioner Kost stated that using the Fund Balance would just exacerbate the problem in 2012-2013. Mr. Logan agreed, because they likely would not have any Fund Balance to speak of. They needed to have \$500,000 to \$700,000 in the bank to stay fluid so that they could make their monthly bills. Commissioner Kost stated that the County allocated funds on a monthly basis. Mr. Logan stated that was correct, and they had not yet had any cash flow problems but they did need to keep those funds in the bank to pay their monthly bills.

Commissioner Petty asked were there any parts of the operation that could be contracted out. Mr. Logan stated they already did that and were also looking at privatization. Commissioner Petty asked what some of those were. Mr. Logan stated presently they contracted out a small portion of transportation, they contracted out some custodial at one site, they were contracting with a company called Saffelle and district-wide they oversaw all of their cleaning and provided cleaning supplies as well as trained the custodial staff and monitored to make sure those custodians were using the supplies and equipment in the manner they were suppose to. That company actually provided another set of eyes that watched how well the custodians were maintaining their schools. The school that presently received the lowest ratings in their monthly rating for cleanliness was the one where they had a contracted cleaning service.

Mr. Logan stated they had also considered contracting out the food service, but not many school districts in the State did that because of the way they were able to take advantage of federally subsidized foods, so they believed they could better run economically their child nutrition program than an outside source. But, the other challenge was that they were required to feed the children foods that did not contain a lot of sodium and with very little seasoning. He added they did outsource some lawn care.

Mr. Moody added they also outsourced their integrated pest management.

Mr. Logan stated they were not able to use chemicals to exterminate in the schools, but had to use more natural, green ways to do that.

Chairman Bock asked was that a State regulation. Mr. Logan replied yes, that they could not spray hazardous chemicals in the schools for pest control. He said there were other things that were outsourced, and actually had found that they outsourced more items than the average State school system.

Chairman Bock stated that the Board had learned that Chatham County was fifth in the State in regards to spending per pupil which on one hand was good, but on the other hand they were above the median range. He asked what they were spending on pupils that other counties were not spending, noting he wanted to avoid judging their commitment to education based on money spent. They should be judging their commitment to education through their results.

Commissioner Kost stated she believed the smaller schools had something to do with that. Mr. Logan stated it cost more to operate a smaller school, and they had four schools with less than 400 students. Another was that they had programs that helped more children to become first-generation college goers, and to date 100% of the children who had graduated from that program had been accepted into at least one institution of higher education, with some accepted into multiple institutions of higher education. Part of the requirements to enter the program was that your parents could not be college graduates, in that the student must be the first college attendee in the family.

Mr. Logan stated that thanks to the Commissioners' actions last year each teacher now had a laptop, and all of their 2,300 high school students had a Mac Book Pro. They also had an adequate number of laptops for teachers K-8, and an adequate number of laptops that children in

grades K-8 could access when needed. All of their schools were wireless, they had a robust internal network within the school system, and they were in the process of converting their phone system to voice over IP systems so they would no longer have a local or long distance phone bill. They had to pull the two schools planned for conversion this year due to budget reductions.

Mr. Logan stated that where the State had reduced funds for the last two years and other schools districts had had cut teachers and teachers' assistants, they had not done that. They had balanced their budget without laying off anyone, so their class sizes were still below State average. They had handled that through attrition with retirements and resignations and the like and had absorbed the losses. They were operating with 24 positions fewer, but they had not had to lay anyone off.

Commissioner Stewart stated that last year there was a property tax increase for the schools, and asked had those funds gone directly into increasing their budget. Mr. Logan stated it was used to offset the budget deficit last year. He stated his first year in the district they had cut \$2.4 million, and last year they had cut \$1.6 million, so they had already cut \$4 million out of the budget over the last two years. This year, including capital, the school's budget was a little over \$109 million. But, that included capital funding for a middle school, and over the course of those two years not only had they had the \$24 million expense for Margaret Pollard in their budget but they had also had \$4.5 million for the renovation of Northwood. That accounted for almost \$29 million in capital that had increased their budget.

Mr. Logan stated that last week they had participated in a State-wide event in Raleigh which looked at how they could continue to make their teachers more effective. Thirty school districts participated, and they had pulled down from the Department of Public Instruction's Website and took the performance of all the school district that were present. Chatham's school district was not below the State average in any area, including graduation rate, drop-out rate, the five end of course tests including reading, math and science tests for grades 3-8, and disciplinary numbers. They were above the State average in performance and below in all the areas you wanted to be below in such as violence in the schools. As Chatham County's performance had been reviewed at the event in Raleigh the facilitator said that there was always room for improvement but Chatham County was not starting behind the eight ball on anything. They had been very pleased with that.

Mr. Logan stated the two areas that he would like to see increased most was their high school graduates, noting that last year 78.9 percent of their children who entered the ninth grade graduated four years later. He would also like to see more of their graduates taking advantage of higher education opportunities. That was what they had used their Race to the Top program dollars for, noting that the State received \$400 million for that program in federal dollars. The State would be retaining \$200 million of that so the school districts would be sharing the other \$200 million. Chatham's share of that funding would be around \$700,000 over a four-year period. Their results were better than the State average, but they were not in the top ten of the 115 school districts.

Mr. Logan stated he did feel that there was a good quality of education being provided, noting they still offered foreign languages at the middle school level as well as band, but both were on the table for potential cuts. One of their high schools for the last two years had been listed by Newsweek in the top 1,500 best high schools in the country and another of the high schools had been list by US News and World Report as one of the top 500 high schools in the country. So, when you looked at their high school results over 80% of their high school students were scoring proficiency or better on the EOCs. The one area needing improvement was SAT scores, and this year they had used Race to the Top money to conduct a four-year plan with the Princeton Review to allow them to offer SAT prep courses for all students at the three high schools who wanted to participate, free of cost. That was a \$499 out-of-pocket cost to parents who before had to pay Princeton Review for that prep course, but now they were using federal dollars to provide free access to that service. They had begun with 12<sup>th</sup> graders and were working their way down to 11<sup>th</sup> graders and they would continue to work down to 10<sup>th</sup> graders so that they would have the same opportunity before they took the SAT. That was an effort to improve their overall SAT scores in the district.

Commissioner Stewart asked had they done any benchmarking before they began using the technology so they could see where the payoff might be. Mr. Logan stated they had, and they believed that the reason they had seen the EOC scores come up in the high school the last



two years was because of those laptops in the hands of the children which had had a direct impact on their improvement in course test results. They would now have to see how that carried over to the SAT results.

Commissioner Stewart stated she had found that when younger children used technology like iPads, that you then lost their attention. Mr. Logan agreed that when they got the technology they were gone with it. Even though their end of grade results continued to improve each year overall, they still had some peaks and valleys. What they really needed to focus on was math, noting their science and reading was above State average but they were below the State average in math which had to be improved. They were above the State average in math but not where they wanted to be. At present there was a controversy taking place in the State on how to teach math, in that the State had proposed something called integrated math and they had been training teachers and gearing up for that. But now, the State had said they were not sure they were going to go to that system and to back off. Integrated math, should it be instituted, would impact grades 6-12, but they were in limbo at present.

Commissioner Petty asked how did they assess such a program and then decide it wasn't the best program to use. Mr. Logan stated he had not idea but said the State was doing some very unusual things. For example, they had the graduation project that they had felt good about and students and teachers had all responded favorably to it. Then the State came back and said they could not afford it and pulled it out. They had always said that the US History curriculum in the State did not allow you to spend enough time on any one area, and the State Board of Education had passed with very little discussion that US History would now be divided into two courses covering two different time periods. Children now that graduated from high school would now have to take two years of US History in order to cover both time periods. They were not opposed to that, but they would have liked to have known so that they could prepare for it. The most recent change with the five end of course tests administered to all high schoolers, which were English, Algebra I, Algebra II, Government, and Civics which was government economy and US history. Students had to score proficiency which was 80% or higher on those five tests in order to graduate from high school. The State had now done away with that.

Commissioner Petty asked how they prevented getting sucked into those State recommendations that cost money only to find out that they did not work or were dropped after the schools had become involved in them. He asked for instance, what did the integrated math program that was pulled cost the schools. Mr. Logan stated they had already spent tens of thousands in staff development dollars preparing teachers for the integrated math program and changing how they taught math. They were actually looking at changing the methodology of how that taught math, and that had proven to be very expensive because it had now been put on hold. They needed to question more the decisions as they were being made and ask for more opportunities to provide input, and they needed not to jump and act as quickly when the State indicated some change.

Commissioner Petty stated they could do that as long as they did not "miss the bus." Mr. Logan agreed. He stated they could prepare to act but not act until they had firm information that that was the direction the State was going to move. That had been a problem over the last 50 years because there were lots of changes with programs coming in and out at a rapid pace. They needed to stick with what was tried and proven, and that was why he was such a fan of AVID, which stood for advancement via individual determination. It did require a few more teachers and it did focus the attention on children on the general tract and pushed them into honors and advance placement courses, but they were given the help needed such as tutors to be successful in those courses. All children did not get in and it was based on a child's potential, and it was offered to children who had not had the opportunity to fulfill their potential.

Chairman Bock stated he appreciated the information that the Mr. Logan had provided, and said he believed there was some discussion and questions related to the budget they needed to get to.

Jeffrey Starkweather asked about the relationship between the amount of money they spent and the results. It was his impression that their schools in general had a higher percentage of free and reduced lunches than other districts, and believed that might be an argument for how well they were doing in light of other performance numbers. Mr. Logan stated not only were their numbers high but it had increased over the last three years during his tenure. When he had arrived their percentage of free and reduced lunches was 45% to 46%, and they were now at

about 49%. So, almost half of their students in the school system received free or reduced lunches, and if you met the criteria to qualify for free or reduced lunches then you were at or below the federal poverty guideline.

Commissioner Stewart stated that was not taken into account with property valuations and where they were as far as rankings. You look at that and income per household that was not reflected in the schools performance measures. Mr. Logan agreed that was true.

Commissioner Kost stated a part of that was because many people were either sending their children to private schools perhaps due to the distance factor or that they had a lot of people who moved into Chatham County after their children were through a school system somewhere else. A lot of that was changing because the reputation of the school system was improving.

Commissioner Stewart stated that Chatham Central, SAGE Academy, Jordan Matthews and Virginia Cross who had not met expectations as far as State guidelines. When they talked about redistricting, why had those schools not met expectations and if they did redistrict and pulled children into other school areas, would that improve or worsen that problem. Mr. Logan stated that was a good question and in order to answer it he had to explain what that designation was based on. That was part of the No Child Left Behind program, which had some good components but also had some flaws. The schools got their designations based on the number of children that were proficient in the school, which meant they scored either at level three or four on the end of course tests. For example, to be considered a school of distinction of which they had a few you had to have 80% of your students proficient and you must make high growth. High growth was what the State expected via its formula plus 10% above that. The students were looked at in sub-groups and not in totality, and the sub-groups consisted of Caucasians, African-American, Hispanic, Asian, multi-cultural, free and reduced lunch, special needs children, and all children. In order to make your goal, you must have 100% of the students in that category to score proficient.

Commissioner Stewart stated but they had some schools that had been able to reach that goal. Mr. Logan said that was because some of the schools did not share the same make-up and there were fewer sub-groups in those schools. You must have 40 students in any of those classifications before it counted as a sub-group, and they had schools that did not have 40 Caucasians or 40 African-Americans or 40 Hispanic, so those categories were not considered in those schools. You could take a school like Jordan Matthews that had as many as 23 categories or goals they had to meet, or you could take Bennett that had as few as nine, and it was an unfair evaluation or criteria.

Mr. Logan stated that to respond to the question, if there was redistricting and students were mixed up, their schools had the caliber of professionals and teachers and the resources now that it would attempt to maintain the level of services in those schools where all students would be served well within a recomposition of the schools and thus the expectation would be that the children that were not performing as well would improve because there would be a different make-up of students. That was what historically happened according to research, but that was still not the driving factor of why he was proposing redistricting. He was proposing it for economic reasons in order to be able to provide equity of services, to be able to maintain services, and to save money. They would have a lot of work to do to make sure the community understood how redistricting would benefit all students.

Mr. Moody stated that the No Child Left Behind did require 100%, and since that program had been instituted if you looked across the County the one sub-group that had kept many of their schools from meeting their goals was the free and reduced lunch group. That was the most challenging group County-wide, and any sub-group that had not met the requirement historically since the program had been instituted was that group.

Commissioner Petty stated and 50% of the students was in that sub-group. Mr. Moody stated it was 48.9%.

Commissioner Petty asked had they looked at what redistricting would do to the sub-groups. Mr. Logan stated it would mix the groups up more and would change the sub-groups. But, keep in mind that the students that were being moved would move as a group themselves. The plan did not break up existing groups of students; it proposed to move all the 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> graders out of Silk Hope, Moncure, Bennett, Bonlee and J.S. Waters together.

Commissioner Petty stated once they were moved out the groups may not remain together because if they got three feeder schools there would be a new mixture within the schools. Mr. Logan stated there would be a remixture within the schools.

Mr. Moody stated that redistricting would not change the high school boundaries, and they had been very careful to keep those boundaries the same.

### **BREAK**

Chairman Bock called for a short break.

### **CAPITAL IMPROVEMENTS PLAN (CIP)**

Ms. Paschal stated she wanted to go through the CIP projects where there was the most flexibility, noting that some projects were complete and some had contracts executed which had to go forward. She began with projects that had been approved:

- Emergency Services storage building, a facility shared by emergency operations and the Sheriff's Office to be used as a receiving and distribution point during emergency operations as well as to provide secure storage for large items seized such as vehicles. They were proposing to pay for that out of Fund Balance with \$40,000 for planning coming from next year's budget and construction in 2013.

Commissioner Kost asked where that building would be constructed. Ms. Paschal replied behind the Sheriff's Office. Commissioner Kost asked was there room there with the creek.

Commissioner Cross stated there was an older building there and there was room between that and the Emergency Services Center. Ms. Paschal stated there would have to be some planning done since there was an issue with the creek and related stormwater.

Commissioner Kost asked was now the appropriate time to ask for an update on where they were with that site in regards to site improvements. Ms. Paschal stated the grant was still being held up by the State. Commissioner Kost asked how much the grant was. Ms. Paschal responded it was about \$63,500. Commissioner Kost stated then they were going to lose \$63,500 because the State could not move on their permit. Ms. Paschal stated they had had resubmit it.

Commissioner Petty stated when she said resubmit, did that mean the money may still be available. Ms. Paschal replied no, that if the stormwater piece of the project was not constructed by May, and she did not see them meeting that schedule, then they would likely lose the grant money.

Commissioner Kost asked was DENR aware that the County would lose \$63,500 because of their hold up. It was critical that DENR knew that. Ms. Paschal stated she believed that David Hughes had communicated that to DENR. Commissioner Kost stated she would like to know that information, noting they were talking about reconfiguration of the parking and other site improvements. There might be some intervention they could take, such as having the Chair write a letter to DENR to try to expedite the permit. She wondered if it would even be doable if the permit was released next week.

Chairman Bock stated that would take to Mr. Hughes, and if intervention would help then he would do so. The second part of that question was did it even matter at this point, and it may not.

Ms. Paschal continued her project list:

- Judicial Facility, with the bid award considered at the Board's February 21 meeting. It appeared that the project had been bid significantly under budget.
- New jail. They were over capacity or over the number of prisoners that the consultant had projected. The State was now looking at turning all misdemeanors back to the County which would add five to ten prisoners. They would like to keep the budget at \$15

million and build the best jail they could build because 116 might just get them through the short term.

Commissioner Kost asked how she defined short term. Ms. Paschal stated the issue was that the jail staff had been working actively to management the jail population and keep it as low as possible and prevent having to send prisoners to Harnett County. It had worked well, but once there was a new jail, that pressure would be gone.

Chairman Bock stated when she said keep the budget at \$15 million, was that for more than 116 prisoners or the best they could do with a maximum of 116. Ms. Paschal stated more than 116, noting that the architect believed they could get more beds out of \$15 million.

Commissioner Kost asked if the prisoners were double-bunking. Ms. Paschal replied no. Commissioner Kost asked why not, noting that needed to be looked at. Her experience with jails was that if you built the cells large enough for double-bunking that it did work. She asked why that had been excluded from the plans, noting not doing that drove the cost up.

Chairman Bock stated that currently they had people sleeping on the floor.

Commissioner Kost stated her point was that you had to build the cell large enough to double-bunk and you would save a lot of money by doing that.

Mr. Horne stated that building jails was a two-step process. The first step would be for the 116 with the eventual capacity to build out of 212. The Sheriff's concern was that with all issues going on that the jail would fill quicker than anticipated, so they had prepared their vision in terms of bunking needs.

Commissioner Kost stated that was her point with the misdemeanors, because they would be the perfect candidates to be double-bunked because they were not high risk. So instead of building stage 2, you looked at double-bunking to accommodate the misdemeanors because they were not high risk in general

Chairman Bock stated that the point was that the proposal was to keep the jail budget at \$15 million. His question was about the Certificates of Participation or General Obligation bonds. as opposed to something else. Ms. Paschal stated that GO bonds were a hard sale for a jail, and if it was voted down then they could not borrow again the money for two years. Chairman Bock said was not a proponent of COPs. Ms. Paschal stated they could do an installment loan.

Ms. McConnell stated she would say use GO bonds or some type of installment loan.

Commissioner Kost stated the Board had been told before that the interest rates currently for GO bonds versus other alternative financing options were fairly close with very little difference. And, the GO bonds took a higher cost to get in place since a bond attorney had to be used. Ms. McConnell stated that the issue of cost was more of an issue with COPs than in GO bonds, and for installment purchases it was less but the rate was higher. And, you had to look at where those costs were at the time you borrowed the money. The biggest difference was whether you wanted voted debt or non-voted debt.

Chairman Bock stated that was his issue for the most part. Ms. McConnell stated they would not want to limit themselves to COPs but COPs might be the way to go at a particular time, but it was whether you wanted voted or non-voted debt in the budget.

Commissioner Kost asked had anyone in the State over the last five years had had a bond referendum for a jail. Ms. McConnell stated she had not research that. Commissioner Kost stated it was hard to find that kind of information, noting she had made the attempt. Ms. McConnell stated the recent jails she knew of had been done with installment debt. Commissioner Kost wondered if everyone was okay with the timeline for the jail.

Chairman Bock stated he did not believe they had much choice as far as the timeline.

Commissioner Stewart asked how much more in operating expenses would the new jail require. Ms. Paschal stated it would require \$900,000.

Commissioner Petty asked was that an additional \$900,000 added to the current operating budget. Ms. Paschal replied yes, adding that was if they housed those prisoners and received that revenue, and assuming that their population did not jump dramatically so that they could not house those prisoners. The projected increased cost was about \$2.5 million, but that was offset by \$1.5 million in revenue from housing federal prisoners and prisoners from other counties.

Commissioner Kost asked was there any requirements as far as design in order to house federal prisoners. Ms. Paschal stated there were requirements that had to be met, but those were included in the plans. Commissioner Kost stated then the architect was taking those requirements into consideration. Ms. Paschal replied yes, but they may not accept federal prisoners. Commissioner Kost stated but they would be keeping that option open. Ms. Paschal replied, yes.

Chairman Bock asked if the additional operating cost was just people. Ms. Paschal stated that it was people, utilities, and other operating expenses and she has a detailed spreadsheet that lists those costs.

Mr. Starkweather stated he understood that they may be housing inmates from other counties as well as federal prisoners. Ms. Paschal stated you built a jail to last for 20 years, so you had capacity and could accept prisoners from other counties short term to offset expenses. Mr. Starkweather stated then it was not long term. Ms. Paschal replied that was correct. Mr. Starkweather stated that from his experience and research as a lawyer in criminal court, when you expanded capacity then you would invariably see people who committed minor crimes that would sit in jail for two weeks because they had no money to pay bail and then would be sentenced to time served.

Commissioner Kost stated that the Federal Marshal used to provide construction funds, and asked had that been investigated. Ms. Paschal stated they had not yet seriously investigated Federal Marshal money, and the problem there was that you would really be locking yourself into having to accept federal prisoners. Commissioner Kost stated that Orange County was able to build a very large addition to their jail at a zero cost to taxpayers. Ms. Paschal stated you would have to contract a certain number of beds for federal prisoners. Commissioner Kost stated they should still look into that.

Chairman Bock stated they did need to look at all options and that was one that needed to be investigated. Ms. Paschal stated they would be bringing the architect contract for the jail back to the Board on the 21<sup>st</sup>. She added that about \$2 million of the increased costs were in personnel and about \$500,000 was in other expenses such as food, utilities, and the like. Those costs were broken down in the Jail Feasibility Study, and they were trying to give the Board the worst case scenario.

Commissioner Kost asked if there would be direct supervision or indirect supervision. Ms. Paschal responded the jail would likely be constructed so that they could add direct supervision at some point. They had toured several jails and they tended to have central control stations with indirect supervision with someone monitoring all the pods. Commissioner Kost stated that research showed that you got better results if you had jailors directly supervising inmates. Ms. Paschal stated she would rather have the jail staff and the Sheriff respond to that. What she had observed in the tours was both direct and indirect supervision, and indirect supervision was almost as good because there was someone watching the inmates at all times.

Mr. Horne stated the concept of indirect supervision was that there would only have to be one or two jailors watching a hub, and direct supervision created a much higher hazard for the officers.

Chairman Bock stated he believed they all agreed that there was a need for a new jail, and they were in agreement to leave it at the suggested budget.

Commissioner Kost stated she would not vote against it, but it likely could have been delayed another year.

Ms. Paschal continued her presentation:

- Renovation of the old library for use by Superior Court, eventually to be MIS. That was an effort to reflect the space needs identified in the Facilities Study. The bulk of the cost was to renovate the courthouse annex after district court moved out. They planned to move the Register of Deeds into the court space, and moving someone else into the Register of Deeds space, to expand the Manager's Office, and move MIS out into the old library space and expand Finance and the Tax Office into that space. That project would be spread over three years at a cost of \$1,030,000 the first year, \$1,060,000 the second year and \$500,000 the third year and the funds would come from Fund Balance.

Chairman Bock asked would there be any additional operating costs. Ms. Paschal replied no, they were only moving people around to respond to space needs.

Commissioner Kost stated there would be additional costs for the renovation of Emergency Operations. She said they were talking about taking over the Operations Room and then adding an addition to make a new Operations Room. Ms. Paschal stated there would be a small cost for that renovation. Commissioner Kost asked could any of that be paid for with 911 funding. Ms. Paschal said it was possible that they could use the public safety portion of the 911 funds, and they were exploring that option. Commissioner Kost stated to her it appeared to be a completely legitimate expense.

Chairman Bock agreed. Ms. Paschal stated if they got approval they could use the public safety portion of those funds.

Ms. Paschal continued her presentation:

- Narrowbanding, which was to replace the County's emergency communications equipment and was mandated by the Federal Communications Commission. To be paid for out of Fund Balance.

- Emergency Communications Satellite Back-up System, with 911 funds to cover the cost.

Commissioner Kost asked if that was the best solution for a back-up system. Ms. Paschal stated they continued to explore that, noting they had been pursuing a joint effort with Burke County to split the switch and share the costs, but the phone provider had not been able to do what was needed to make that happen. As a result, they continued to look for options including partnering with some other county.

Ms. Paschal continued her presentation:

- Law Enforcement Center site improvements. The possibility of using the old library as the Commissioner meeting room once Superior Court moved out, and if they were to do that then these site improvements would be even more necessary because it would provide the parking for that facility.

Chairman Bock stated if they did not do that and all law enforcement was moved to the Judicial Center, would they then have that parking lot underused. Ms. Paschal replied no, because the Sheriff's Department was not moving; only the jail was moving. Chairman Bock stated he had understood they would all move. Ms. Paschal replied the Sheriff's personnel was staying and what was now the jail would be used for expansion space when they could afford to renovate it. The real problem was the narrow access road which was one lane as well as the lack of adequate parking on the site.

Ms. Paschal continued her presentation:

- Roof replacements for a variety of schools, with some of that work already taking place.

- Waste management landfill, which was ongoing.

- Waste collection center, to be funded by capital reserve and planned for 2016, the last year of CIP planning.

Chairman Bock asked could that be moved out with a seven-year CIP. Ms. Paschal responded they could.

Commissioner Kost stated that as Briar Chapel had reconfigured and there was more open space, had they had any discussion of negotiation with the owners as to whether they would want to donate any of that site for a collection center. And, she asked, would that be an appropriate location for a collection center. Mr. Horne stated they had discussions with them early on about a recycling drop-off point in the commercial area, and the owners had agreed to that. But, when that might happen he did not know. Commissioner Kost asked was that at the beginning of the approval for Briar Chapel. Mr. Horne responded it was. Commissioner Kost stated since that time they had reconfigured and condensed but were still locked into a total number of units. That would mean they would have more available space, and if they donated some area to the County and not have to pay taxes on it then it would be a win-win for everyone. She believed they should explore that possibility sooner than later even though it would be several years before a waste collection center would be sited there.

Ms. Paschal continued:

- Governor's Club water line relocation, noting that at present the water line ran from the base of the dam which would become compromised. This would provide a second feed.

### **LUNCH**

Chairman Bock called for a short break to allow time for lunch.

### **CAPITAL IMPROVEMENTS PLAN (CON'T.)**

Ms. Paschal stated that Mr. Hughes was present to respond to questions about the Governor's Club water line relocation.

Commissioner Kost asked was the project done. David Hughes, Public Works Director, responded no, that they had met with the Governor's Club Infrastructure Committee last week and had presented them with a preliminary design. They had to now present that to the Homeowners Association and once it was approved, they would move forward with the final design. They had discussed different routes in an effort to minimize the impacts to the homeowners and the roadway, but they wanted a guarantee that the County would not have to go back and do another line after the water plant on the west side of the lake was completed. He was not ready to make such a promise since one of their largest tanks was at the top of the Governor's Club. In any case, they were in design and were working through the process.

Ms. Paschal stated the costs were planned to come from water capital reserve. She went on to the next project:

- Water – increase capacity. This project was to provide long-term capacity by interconnecting with Durham and building an elevated storage tank. Fund would come from water capital reserves with the exception of about \$212,000 transferred from the southeast water district. The cost was \$1 million over last year's CIP to cover the cost of the water tank.

Commissioner Stewart asked did they get water from Durham. Mr. Hughes stated not yet but they would, noting they had a 20-year contract in place which was signed two years ago, and the purpose of that contract was to provide water in the interim period while the County built the in-take plant on the west side of the lake. Durham was one of the main partners in the western in-take, and Durham had agreed to provide 4 MGD capacity for a term of 20 years while the in-take was being built.

Commissioner Kost asked where they were long term with the regional plant, what should they be planning for, and when would it actually happen. Mr. Hughes replied at present there was a regional water supply plan being developed by all of the local jurisdictions that looked out for 50 years and tried to determine who would need what water and how it would be provided. There was a draft plan that was being reviewed now, noting the process was being managed by TJCOG's water resources department. Once the regional water supply plan was finalized, then that would be broken down into individual allocations for each jurisdiction, particularly the ones that were drawing from the lake of which the County was one. The County's current allocation was 6 MGD and they were using 2.8 MGD on a maximum day.

They expected that their allocation request would be in the 12 to 14 MGD range, which they would have to justify through growth projections, per capita use rate, trending data over time, typical leakage rates, and process water used at the plant that was not metered. That allocation request and the accompanying justification would be submitted to the Division of Water Resources at DENR. They were now in the master planning stage and in the next year or so they would break down the plan into the individual allocations for each of the jurisdictions, and once it was reviewed by the Division of Water Resources it would be reviewed by the Environmental Management Commission for approval.

Commissioner Stewart asked what parts of Chatham County would that water serve. Mr. Hughes responded they were envisioning that the water would go to the new plant.

Commissioner Cross stated they were capable of having it serve everyone. Mr. Hughes stated that they would wield water pretty much across the County now. There were some inter-basin transfer issues that came into play so it would restrict how much water could be sent to different basins, and they broke it up into sub-basins so it was not just the Cape Fear River Basin but it would be the Haw River sub-basin, the Deep River sub-basin, and the like. If you sent water to Siler City which was a tributary of the Deep River, then that would be an inter-basin transfer and you were limited to sending only 2 MGD a day.

Commissioner Kost asked what about Raleigh, noting they were in the Neuse River Basin. Mr. Hughes stated that Raleigh would not be able to get an allocation. Commissioner Kost asked why Raleigh was one of the regional partners if they would not be able to get any water. Mr. Hughes stated that not all of the regional partners would get an allocation from Jordan Lake, but they wanted to be at the table for the discussions. Raleigh would be getting "x" number of MGD from Falls Lake for the next number of years, noting that all of the water systems were connected to some degree, some better than others, and you could not plan in your own vacuum.

Mr. Horne stated that PWC in Fayetteville was a part of that discussion. Mr. Hughes stated they had not joined the partnership. Mr. Horne stated that a representative would be speaking at the Board's meeting on February 7. Mr. Horne stated that they were watching this process were closely.

Commissioner Stewart asked with all of these jurisdictions in a coalition what effect this would have on Cary. Mr. Hughes stated that Cary was an integral part of the regional water supply plan, adding they had an interconnection with Durham and were providing a significant amount of water to Durham and vice versa. So, they were managing their inter-basin transfer somewhat with transfers to Durham.

Commissioner Kost asked why they would want to come to the west side of the lake. Mr. Hughes replied they would not and would continue with their in-take where it was; but, they wanted additional allocation and this process was all about allocation from the lake.

Commissioner Cross said but they would still have to buy into this agreement. Mr. Hughes stated there would be sub-agreements only with those who really wanted to be involved with the in-take and the plant, which primarily was Chatham County, Durham, and possibly OWASA.

Commissioner Kost stated then when they got to the point of discussing how to pay for the plant, those would be the partners. Mr. Hughes replied that was correct.

Commissioner Cross asked if someone from this Board should attend those meetings. Mr. Hughes stated every year a large meeting was held that all the managers attended, and then there were progress or technical meetings that public works directors and other staff attended. Commissioner Cross stated in the past there were a couple of the Commissioners who were involved, but that had ended. Mr. Hughes stated this was not a political issue but was about water supply. They were attempting to stay very apolitical in that it was not about growth control or anything else other than trying to see into the future and projecting demand and making sure there was water to meet that demand.

Mr. Horne stated the Corp of Engineers had to authorize who gets a straw from the lake, and they had said there would be two. Cary had one, and before the regional concept had come



into play Chatham County had asked for one. The State was now encouraging regional cooperation and the Corp had said they would provide one more straw, and anyone who wanted water from the lake had to either go to Cary or to wherever that other straw was, and Chatham wanted that straw on the west side of the lake because it would be easier to deliver water to a majority of the County.

Commissioner Kost stated being from the east side of the lake that did not settle well with her.

Commissioner Cross stated he thought they had an agreement with OWASA to put an intake on the park property they had leased. Mr. Hughes stated it had been discussed but no agreement had been made.

Mr. Horne stated they had a verbal agreement but that had not been secured. The other option was that OWASA owned about 130 acres of land and had identified a preliminary site.

Commissioner Kost stated that Orange County wanted that site, but they already had an allocation from the lake. Mr. Horne said but, Orange County may have that taken away because they had not used it.

Commissioner Kost stated what she was trying to get an understanding of was that they were going to build money into the water capital reserve to begin planning for the expense of when they had to be a partner in building this plant. She asked were they doing that, because they did not want to get to the end of the process and have to come up with a huge amount of money. Ms. Paschal stated that there was a large balance in water capital reserve. She had talked with Mr. Hughes about requesting money through the operating budget for the planning next year, and transferring it out of water capital reserve to pay for it. Commissioner Kost stated she wanted to make sure they were building that fund in order to cover the eventual cost share of the plant. Ms. Paschal stated she could not say that they would not need to borrow funds for that project.

Commissioner Cross agreed they would not be able to say that. Mr. Hughes agreed as well, stating that they had to cover their share of the cost of the in-take and plant, which would be a considerable amount.

Commissioner Kost asked when that would happen. Mr. Hughes stated construction would likely be completed about eight years from now. Commissioner Kost stated then it would go in their seven-year CIP next year.

Ms. Paschal continued to the next project:

- Historic courthouse restoration; estimated cost at \$10 million funded through insurance reimbursements. A contract had been approved for the design work.

Commissioner Kost asked for an update on where they were with the insurance adjustors. Mr. Hughes stated he had met with them a couple of weeks ago and they had been in discussions with Travelers Insurance. They had not told him exactly the number they were looking at but he believed they were closing the gap and were within \$1 million. The main issue at present was that if they had extra funds left over from the settlement that they could use the money on other buildings, and the County's adjustor thought that would be done, but Travelers was not so convinced.

Commissioner Kost stated a legitimate use would be the renovations to the old library that was being used for Superior Court, noting that was easily justified.

Chairman Bock agreed, because those renovation costs would not have been incurred had it not been for the fire at the historic courthouse. Mr. Hughes stated that was the sticking point now and although it would be unusual to allow that, it was a question they were working through with the attorneys involved.

Ms. Paschal stated that the insurance adjustor believed they had a very good and legitimate argument, but others did not agree. Mr. Hughes agreed the insurance adjustor believed it was a strong argument, and that was where they were now.

Chairman Bock stated then there was no question that the insurance would pay for the reconstruction of that building. Mr. Hughes responded the claim was based upon the value of the building the day it burned, and had nothing to do with the rebuild. The insurance payment would be based on restoring the building back to exactly the way it was the day it burned.

Mr. Horne stated that would be 100% funded. Mr. Hughes stated that was correct.

Commissioner Kost asked if the issue about the building being uninsured had been resolved. Mr. Hughes stated they had not said much about that, and thought that perhaps Travelers was holding that in reserve for a negotiating tool if needed. Commissioner Kost stated that was a huge hammer. Mr. Hughes stated that they had basically said that they had not had time to go back and value every building in the County and they did not think that was an issue, but Travelers had not agreed it was not an issue.

Chairman Bock asked if that ever came to the surface, the Board would want to know that as quickly as possible. Mr. Hughes stated they would be notified immediately.

Commissioner Kost asked if they were okay with the timeline. Mr. Horne responded yes, that the timeline was three years from the day of the fire, which was March of last year.

Mr. Horne commented that the Board would receive the design information at its meeting on February 7. Mr. Hughes stated they were going through the design process at present.

Chairman Bock stated the insurance they were talking about now was the County's insurance. Mr. Hughes stated that was correct. Chairman Bock asked was there any insurance coming from the people who had caused the fire. Mr. Hughes stated that the County's insurance would subrogate to them, and that was not the County's concern.

Commissioner Petty stated he understood that was the normal procedure for insurance claims, but in some situations bonding was an issue. He asked was that same procedure used or was this contractor not bonded. Mr. Hughes replied the contractor had a performance bond, but because the fire happened he had not had a chance to perform so he did not believe there was any avenue to collect on the performance bond.

Ms. Paschal moved to the next project:

- Radio console equipment at the 911 Center, approved in December 2010 and to be paid for from 911 funds.
- Schools roof replacements. The school system had done an assessment of all schools in the district and had been surprised at the number of roofs with problems. They had developed a priority list with three schools to be repaired first. They were recommended that they fund J.S. Waters over two budget years with the work taking place during the summer; that is, beginning in June and ending in August. As funds were available, they would include other roofs for repair.
- Patient Data Management System and Electronic Health Records System, which would provide for more efficient billing and would move them towards a paperless process in the health clinics. Proposed to be paid from Fund Balance next year.

Ms. Paschal stated that the next projects were for future projects, and at present they really did not have enough information to schedule the projects and were not recommending them. They were included because the Board may see these projects in the future, although in some cases they were asking that the Board allocate planning funds because if they were going to schedule a project they needed to know how much it would cost.

- Agricultural Civic Center. Originally Cooperative Extension had originally proposed to build this center off-site, and a study was done about renovating and expanding the existing Ag Building and Cooperative Extension had liked that plan. It was possible to do that, but there were some land issues because if the jail was put next to the Judicial Center then they may need additional parking. Those issues would have to be sorted out before they could move forward positively with the renovations.

Commissioner Stewart stated this was not the same as the plan to build a new Civic Center. Ms. Paschal replied no, that this was a renovation and expansion of the existing building and it would significantly expand their conference space. They would need to decide where the jail would go first before any other issues were considered, including whether the Center would have to be built off-site.

Commissioner Kost asked could that auditorium be designed in such a way that it was a multi-purpose area that would serve for performing arts as well as for the Agricultural Commission needs. Ms. Paschal stated they already had a facility serving as a performing arts facility, but they had looked into breaking the space up into meeting rooms.

Commissioner Kost said with a 350-seat auditorium they really needed to look at making it a multi-function facility. Ms. Paschal stated she had planned to ask for planning money for that project but believed they needed to sort out where it would go and what it would be used for first.

Commissioner Stewart stated that it would all depend on where the jail would go. Ms. Paschal stated they would need to sort out where the jail would go, in that if the jail went next to the Justice Center then there was likely not enough available adjacent land for parking. As well, they lacked the debt capacity to fund the project in that the study showed the cost would be \$7 to \$8 million. They might be able to figure out a way to pay for that, but if they built a 30,000 square foot facility off-site the cost would be more substantial.

Ms. Paschal continued with the future projects:

- Animal Shelter Expansion and Renovation. The current shelter was at capacity and was not functional in terms of the need for more isolation areas, staff areas, and visitor areas. If the Board wanted to pursue this they were asking for \$7,800 for schematic design and cost estimates that would be appropriated into the operating budget.

Commissioner Cross stated he believed it was important to move forward with that design and cost estimating.

Commissioner Kost agreed, noting that they really had neglected this area and they needed to move forward with the schematics.

Ms. Paschal continued her presentation:

- Public Health Building, noting that they had at one time envisioned a human services campus and this building could possibly be built on the same site as the Social Services building. They were not recommending any action at this time.

- Bus Garage. Both the County garage and the School's bus garage were too small for the buses and inadequate for their mechanical needs. They were discussing merging the two operations and building one facility, because they believed it would be more cost effective. Staff was recommended appropriating \$35,000 for a study to determine the cost effectiveness of merging the two and to determine a project budget.

Commissioner Petty asked rather than building a new facility, could they look at facilities that might no longer be in business such as car lots. Ms. Paschal stated they had considered a particular car lot but it was located on the main thoroughfare and there was not enough storage on that lot for the buses. It was a possibility but she was not sure it was the ideal solution. Commissioner Petty stated he was thinking of the Chevrolet dealership. Ms. Paschal stated that was the lot she was referring to. Commissioner Petty asked what about considering a building already existing out of town. Ms. Paschal stated that could be discussed.

Commissioner Kost stated the garage would need to be centrally located. Ms. Paschal stated they had actually considered the landfill site because they had plenty of land there.

Commissioner Petty stated he would not want to build a new building when so many were sitting empty. Ms. Paschal stated they would discuss all options and if a site was identified

they would consider it. In any case, they would still need to do cost estimates for any site and to determine if merging the two operations was cost effective.

Ms. Paschal stated the following was the last project listed:

- Southwest Water District Distribution Line, which was to install approximately 48 miles of water distribution mains in the Southwest Water District.

Mr. Hughes stated that the USDA had told him that the preliminary engineering report that was done in 2005 was out of date, so they had to start over and do another PER. The Board at some point would have to authorize another PER to begin the process over.

Commissioner Kost stated but they did not have enough sign-ups to do the line. Mr. Hughes stated they had not at that time. The PER stated they needed 515 and they were at about 540, but they had to have density on the line. They had 500 sign-ups in the district, but they did not know how spread out that was. They had to have some density on the line itself to pay for the capital costs of installing the line.

Commissioner Cross asked what density per mile the USDA wanted to see. Mr. Hughes stated it had been twelve. Commissioner Cross said he believed it was now 15. Mr. Hughes stated in any case they would need to verify everything since the rules changed each year.

Commissioner Kost stated the County's policy was 10. Mr. Hughes stated for the southeast they had dropped it to 10.

Commissioner Stewart stated to build this line then would density have to increase. Mr. Hughes stated they were looking at existing density of houses. If someone proposed a subdivision then they could count that as density but they would have to sign a development agreement saying that the development would sign on when the water was available.

Ms. Paschal stated the Board had discussed earlier the County's LEEDs policy, and she would recommend scheduling a work session to consider whether or not to abolish that policy. Currently, they were requiring every building of 20,000 square feet or greater funded by the County to be LEED Silver certified.

Commissioner Petty stated they could accomplish LEED Silver standards without going for certification, and asked was that correct. Ms. Paschal stated that was absolutely correct.

Commissioner Kost stated she would like to have input before a decision was made from some of their advisory boards, and she would particularly like to have input from the Economic Development Commission because there were issues about image and branding. She would like to have that input before the Board made a decision.

Chairman Bock stated he understood that, but was trying to figure out how LEED Silver certification would be necessary for the jail and how that would help the EDC.

Commissioner Kost stated she would like to hear that from the EDC, because when you talked about the branding of a community and where economic development was going, green technologies was a growth segment of economic development. If you wanted people to think conservation when they heard Chatham County, then having facilities LEED certified had an affect, and she wanted to hear what the EDC had to say about that before the Board made a decision to change the policy.

Chairman Bock stated they would need to make that decision relatively soon because of the jail and the Justice Center.

Commissioner Kost stated the Justice Center was already designed and the LEED certification did not happen until the end of the process. Mr. Hughes stated there were a couple of components that did not have a long payback that there had been discussion about omitting, noting that photovoltaic was a very small component. Commissioner Kost asked would that impact the Silver certification. Mr. Hughes stated they could likely still achieve Silver with the photovoltaic omitted. Commissioner Kost stated then just eliminate it. She asked what others were an issue. Mr. Hughes stated that just going through the certification process was an issue. Commissioner Kost stated but that came at the end of the process. Mr. Hughes stated but during

the process you had to begin putting your paperwork together about where supplies were coming from, was the wood grown in a certain manner, and the like. Commissioner Kost stated they could put this on the agenda for the second meeting in February and have the EDC come and talk to the Board, and the Board could make a decision then. That would not impact the jail because they had not yet awarded the bids.

Chairman Bock stated they could put that on the February 21<sup>st</sup> work session with the expectation that a decision would be made at that time.

Commissioner Kost asked that staff contact the EDC so that a representative would be available to attend, as well as communicate to the Green Building Task Force that that would be on the agenda and the Board would like to hear from them.

Commissioner Petty stated he would like to know the dollars difference between the two. Mr. Hughes stated they had calculated that on the Judicial Center.

Ms. Paschal stated she could go back and calculate what the additional costs were for the Community College and Library buildings, but could not promise to have that information by a time certain. The contract for the jail broke out the cost of the LEED certification separately and it was the County's option whether or not to accept that.

Commissioner Kost stated she would like the Board to consider the possibility of adding some projects to the future projects list. Yesterday the Board had talked as they discussed the bookmobile that the northeast library was a future project, and although there was no funding it should be on the future projects list. She had heard from many of the Chatham/Cary residents about the library facilities, and Cary was a municipality within Chatham County now and the other three municipalities each hosted a home library. She would like to explore the possibilities of working with Cary at looking at a library for the Cary section of Chatham County, which of course would serve all Chatham County residents. If Cary had some land in that area they could possibly help the County out, but she would at least like to explore the possibilities.

Chairman Bock stated then she was suggesting that that be added as a future project.

Commissioner Kost responded yes, noting that sometime before they did the next year's CIP to have that dialogue with Cary and how they might partner to provide a library for Chatham/Cary citizens since they did provide a library for the other three municipalities within the County. Ms. Paschal stated the way that would work historically was that Cary would build the facility and the County would operate it. Ms. Paschal asked would that potential library be in lieu of the Briar Chapel library. Commissioner Kost responded it would be in addition to Briar Chapel. She stated everyone paid taxes in the County and the one thing she had heard over and over and over again was the lack of library facilities. As elected officials, they needed to look at that if in fact it was their policy to have a library in each of the municipalities.

Chairman Bock stated if Cary were to build the County a library in the Cary section of the County, then there was no reason that it would be in lieu of the proposed library in Briar Chapel. Ms. Paschal stated so the future projects would be two libraries, one in Briar Chapel and one in Cary.

Commissioner Kost stated she was not asking that they be listed as future projects now, only that they be explored as future projects. She stated that Cary owned two parcels near the American Tobacco Trail on each side of New Hope Church Road, and it may be a possibility to combine a library with the parking facility that would be constructed there.

Ms. Paschal reviewed the changes made to the CIP:

- Leave the jail budget as is and explore funding options from Federal Marshal funds for capital costs up front.
- For the space needs study, they would explore using 911 funds for emergency operations with no changes to the budget.
- The new high school would be moved to 2016, and the narrative would say that they would revisit that each year and when growth dictated they would initiate the project.

- They would explore locating the collection center in the northeast and asking Briar Chapel to donate land for that center. The project budget would not change unless the land costs were omitted.
- They would hold off on planning money for the Agricultural Center.
- They would include planning money for the Animal Shelter in the operating budget for next year.
- They would include planning money for the School bus garage in the operating budget for next year.
- They would discuss with the Cary the possibility of Cary building a library in the northeast portion of the County in the Cary limits.

Chairman Bock stated that the wording in the narrative regarding the new high school should say “that if the numbers show the need for the high school sooner, it will be addressed before 2016”.

Commissioner Petty stated it should also say that “the construction timeline would be based on need.”

Commissioner Kost stated that Cary had actually built the paved section of the American Tobacco Trail in Chatham County, and there were quite a few areas where the pavement was failing. She wanted to make sure that they pursued that so that Cary did not allow the warranty to expire and then when the County took over the maintenance of the trail they would have to go in a repave it because it was not properly done. She asked staff to diligently look into that and make sure that it was being followed up on.

Commissioner Kost stated another issues was that they were able to get through the MPO some CMAQ funds in the year 2014 to address parking, and that issue was not going to go away. The trail was heavily used and there was no parking in the Chatham County section whatsoever. In fact, there had been “No Parking” signs erected on New Hope Church Road and she believed on O’Kelly Chapel Road as well. Not only was there no parking available, it was prohibited. They needed to work with Cary to see if there was a way to move that issue forward and find a solution because this was a safety issue. She also would ask staff again to work with DOT and get the vegetation cut in the curve. That vegetation had not been cut back and it was causing a blind spot when people came off of the trail in that motorists could not see people until they were right up on them.

Ms. Paschal stated that if with those changes the Board was ready to adopt the CIP, then they could do so today.

Commissioner Petty stated he believed they had agreed to start the seven-year CIP next year. There was no objection from the Board.

Commissioner Kost stated she would be voting in favor of adopting the CIP as amended, but wanted to say that she would have preferred that the high school had continued on the schedule for 2015. She understood the reason for the change and did not believe it was a big enough issue for her to vote against it.

Commissioner Cross moved, seconded by Commissioner Petty, to adopt the Capital Improvements Plan as amended. Motion carried five (5) to zero (0).

### **BREAK**

Chairman Bock called for a short break.

### **BOARDS/COMMITTEES**

Commissioner Stewart stated the purpose of this discussion was to review some of the advisory boards, committees, and commissions. In looking in more detail at the groups there did not appear to be any consistency. For one, she had found in talking with some of the boards

about defining the goals or expectations they had said they really did not need expectations. As she had looked for and asked for measurable objectives in order to determine if they were actually doing what they were charged to do, many of them did not seem to have any clear objectives and had never set out a way to measure if they had accomplished what they had set out to do. She asked how often the boards came back to the Board of Commissioners and provided a report.

Commissioner Kost stated they did have last year one joint meeting with a number of the boards in the area of planning and land use and affordable housing. But, she absolutely agreed that they needed to strengthen the communication process between the Commissioners and those boards. There were some who came forward on a per issue basis; that is, when an issue came up then an advisory board would weigh in on it.

Commissioner Stewart suggested that the Board perhaps set some guidelines for these boards. Basically, they should look at how many members there would be, where those members would come from, the type of qualifications needed to serve on that board, to have some consistency in having each of the boards prepare a set of goals on an annual basis and how they would measure those goals, submit a report at the end of the year on how they measured against those goals, and have the boards come back at least once a year and report on their progress. There needed to be some consistency particularly in naming whether a group was a board or a committee or a task force, because calling a group a board implied a lot more power in decision-making or policy-making than a committee or a task force that might only have an advisory role. So, they needed to standardize some of that naming.

Commissioner Stewart stated they also needed to work with the various groups to set some ground rules and by-laws which clearly spelled out their objectives including that their minutes would be prepared and available to the public. And, they should look at whether they should set a specific membership number on each of those committees, or, if they wanted to do it based on topic.

Commissioner Kost stated she agreed 100%, noting that just this last week she had met with Fred Royal regarding the Environmental Review Board because there were a number of vacancies coming up. That was a highly technical board with specific areas of expertise that were desirable. Information about that board and how appointments were made should have been in one clear document, but instead staff had to go back and research the minutes to piece it together and figure it out.

Commissioner Stewart stated they needed to look at efficiency and how to achieve that with the boards.

Chairman Bock stated he had met with several boards and some had seemed surprised as to what their role was. He suggested they might need to start at the top and determine why the advisory boards existed, adding that the term "advisory board" implied that they should be advising the Board of Commissioners. Several of those boards met regularly, but they were not offering any advice to the Board. He said perhaps they should look at the whole structure for those boards and perhaps restructure if necessary. There may be opportunity for consolidation with some of the boards; for instance if you looked at the purpose of the Human Relations Commission it included housing, education, and community relations. But, they did not have much if any coordination with the Affordable Housing Advisory Board or anyone else. He believed they needed to look at the whole structure of the boards, stressing that those boards were not policy boards. He had gotten the impression from some of the advisory boards that they met and their job was to ask staff to do things, but in reality that was not their purpose. They needed to address that and any other issues as best they could.

Commissioner Kost stated she agreed there should be measurable objectives, but the problem with some of these boards was that they did not have staff support. They were asking volunteers to do the work when it really went beyond the scope of being a volunteer, and some of that was staff level work.

Chairman Bock stated they needed to be cognizant of that because the County does not have the staff to support them all.

Commissioner Stewart stated that was true, and she would like to see those volunteers take issues back to the community and then bring ideas or concerns from the community forward. She wanted to make sure the boards understood that, in that it was not just about the members sitting in a room in that it should include feedback from the community. They needed to make sure that that was understood and that they were being charged with being the ear and voice for the citizens.

Commissioner Petty stated then that would be another path for citizens to get information back to the Commissioners.

Chairman Bock stated then the question became how to accomplish that.

Commissioner Stewart stated they would look at the boards that were mandated and ones that the Commissioners knew were the most vital, and then they would have those boards report back to the Commissioners about what they had been doing and hear from the Chair of each board at some point so that the Commissioners could ask questions.

Chairman Bock stated the ones that were mandated were the ones that were probably doing exactly what they should be doing, such as the Board of Elections.

Commissioner Stewart agreed, but others that were just volunteers she believed they should have some guidelines written on what they were expected to do so that there would be consistency, and that the volunteers understood that they needed to follow the guidelines.

Commissioner Kost stated that perhaps they could ask staff to develop a schedule so that over the course of several months the board chairs could come before the Board of Commissioners and provide a report. That should be done prior to completion of the budget.

Commissioner Stewart stated they needed to let the Chairs know ahead of time that they would be providing the Board with a report on their activities, how they were structured, what they were currently working on, and what their process was. She stated they also needed to put together a document that spelled out the expectations of those boards and committees.

Chairman Bock suggested that the next step might be to develop an umbrella policy for all boards and committees.

Mr. Starkweather stated that the EDC had already been working on that, and they had restructured the EDC so that it had a broader representation. They had changed the process in that rather than the Commissioners appointing members that they advertised for people to apply and had formed a selection committee. Their idea was to have an overall strategy of how to select volunteers and provide some training. As a part of the application process, applicants had to respond to two small essay questions about their background and what their vision was. Then, they had listed what their expectations would be of volunteers. When volunteers were chosen, the EDC provided training so that they would have a sense of the larger mission they would be working on.

Mr. Starkweather stated they had used that same process when the Affordable Housing Advisory Board was formed, which used to be a task force. They had advertised across the County, they had conducted training, and were actually now working on a presentation for the Board of Commissioners about the Affordable Housing Advisory Board. A similar process was used when the Green Building and Sustainable Energy Board was formed. He and Sybil Tate had worked on a training program that would be used for all boards, but they had used it for the Green Building and the Affordable Housing boards. So, some of that background work had been done even though they had not reached the level of forming measurable objectives. But, his feeling was that all of the boards should move in that direction so that they were not just a collection of people interested in an issue.

Chairman Bock stated that the EDC was probably the best example of a board that was doing a good job and doing what he believed the Commissioners expected.

Commissioner Stewart agreed, noting that at the beginning if each board determined what their goals were for the year then the Commissioners would be able to determine what was working and what was not and whether or not the board was needed or if there were other issues



they needed to look at. The boards had to be able to provide the Commissioners with something concrete that they could be measured on. Or, this Board needed to charge the boards with what they needed them to accomplish, and then that board should show this Board that they had done what was expected of them.

Chairman Bock stated he was frustrated that some of the boards spent a lot of time on national statistics or even State statistics, but if they were a Chatham County advisory board then they needed to tell this Board exactly how that would apply to Chatham County. But, he believed a lot of them were unable to do that. The Board of Commissioners needed to be advised on issues as they related to Chatham County.

Commissioner Kost stated once they got the census data that would be a lot easier to do, but sometimes data just was not available at the local level. In lieu of not having anything, you had to go to whatever data was available on a topic.

Chairman Bock stated that some of the boards were probably put in place before there was an ordinance that outlined the way something should be done, so they may no longer need advice in some cases. They needed to look at all of the boards, adding he did not know that the Board was utilizing the results of all of those volunteers' work. That was likely very frustrating for a volunteer.

Commissioner Kost stated when she looked at a board like the Planning Board, they could certainly give them a charge but she wondered how you would measure their outcomes.

Commissioner Stewart stated it would be matter of what this Board was looking to them to for.

Commissioner Kost stated she was trying in her mind to come up with what would be measurable objectives for the Planning Board. She was having a hard time doing that other than just workload statistics.

Commissioner Cross stated they were a required board because they advised on planning, zoning, and subdivision matters.

Commissioner Stewart agreed, and suggested that they could eliminate from the list the ones that were required or needed and eliminate them from the discussion.

Chairman Bock stated they also needed to see if there was any consolidation that could be accomplished, and for those that they wanted to keep then they should fine tune their mission and ask them to actually advise the Board. He said the question was how best to accomplish that.

Commissioner Kost suggested that staff could come up with something and propose it back to the Board.

Chairman Bock stated that every board should know what the expectations were, such as minutes of meetings and measurable goals.

Commissioner Kost stated she would include how they got their information, noting it was an important point the Chair had made that citizens who volunteered also were expected to bring back input from the community.

Commissioner Stewart stated she had already done some research and she would provide it to staff.

Lisa West stated then the process would be to develop the guidelines, the second thing would be to get them approved by the Board, and the third thing would be to have the Chairs make a presentation to the Board one by one.

Commissioner Kost stated the first step was that the Board had an overarching expectation of all the advisory boards.

Ms. Paschal asked if the Board wanted staff to develop a standardized reporting procedure, such as a list of the things the Board of Commissioners would expect the boards to respond to when they appear before them.

Chairman Bock stated yes, because otherwise they would get to the meeting and not be able to respond to questions except by saying they would get back to them.

Ms. Henzey stated there should be some guidelines and measures, in that they would not want to have a long list when what the Board really wanted was for the boards to focus on priorities.

Commissioner Stewart stated that once the Board looked at the advisory boards they may determine that they wanted to change the focus or objectives, so perhaps they needed to include some measurements as well. For instance, the Board could say that the expectation was that the board volunteers would meet with "X" number of citizens in hour area and bring back comments. Ms. Henzey stated that some of the issue may be with the staff liaisons, because if you were posting minutes that would normally be the responsibility of the liaison, but some of the boards did not have liaisons so minutes were not being posted.

Chairman Bock stated he would like to have a clear definition between a board or commission, or task force or committee.

Commissioner Petty stated he believed they should be synonymous.

Chairman Bock stated they needed to use terminology that indicated that boards were not policy-makers, whatever that might be.

Ms. West asked if that meant they may be renaming some of the boards.

Commissioner Cross stated possibly.

Commissioner Petty stated that they were all advisory boards regardless of what they were called.

Commissioner Cross stated that for instance, instead of Affordable Housing Advisory Board, they should be called the Affordable Housing Advisory Committee.

Commissioner Stewart stated if you looked at the definition, a committee was a special group delegated to consider particular matters and was a group that took minutes of what went on. The definition of a board was a committee having supervisory powers.

Chairman Bock stated that task forces were usually charged with one issue and then they went away, so he believed they were using that terminology correctly. But, he would personally like to see the terminology change so that boards were actually committees. What they actually were, in fact, were advisory committees to the Board of Commissioners.

Commissioner Stewart stated what they would end up with was a few boards, and the rest committees and task forces.

Chairman Bock suggested getting the information out to all the boards and committees to let them know that the Board of Commissioners wanted to meet with Chairs starting in March during work sessions if possible.

Commissioner Kost stated this was a process, and they had tried to take the politics out of a lot of the board appointments and really look at the qualifications of volunteers and get the best qualified to serve on the boards.

Chairman Bock stated with some of them it was easier to do because you knew what you were looking for. But with others it was not as easy. For instance, last year when they were recruiting members for the Transportation Advisory Board they were looking for people with experience in some kind of transportation areas such as with bikes, cars, buses, and walking paths, and nearly everyone qualified in some manner.

Commissioner Kost stated that everyone who had applied for that board had been appointed because the number of applications equaled the number of vacancies.

Chairman Bock stated that the number of board membership was important, because if a board got too large then it became less effective. Mr. Starkweather stated you had difficulty getting a quorum as well. Chairman Bock agreed.

Commissioner Petty stated one other thing that might be helpful was the reporting format, in that it should be the same for all committees so that each committee did not come up with its own presentation format.

Chairman Bock stated he wanted to move away from staff taking the minutes for these committees, noting the committees were volunteers and staff should not be relied on to record the work within the committee.

Commissioner Stewart agreed, noting that many times no one wanted to volunteer to take minutes so perhaps it should be rotated among the members.

Commissioner Kost stated it was very difficult to be a participant in a meeting and also take the minutes. On any board that was an integral part of their processes she believed that staff should continue to take the minutes. For instance, the Planning Board members did not take the minutes; the staff liaison did. On the Environmental Review Board, they were a part of the process for subdivisions and various other issues, and those minutes were important because they were part of a process that could be challenged, so they needed to make sure that staff took those minutes.

Commissioner Stewart stated she did not understand why the Environmental Review Board was more important than other boards.

Commissioner Kost stated that the way the ordinances currently stood, that board had very specific responsibilities in the development process, and if anything was challenged they would want to be sure that accurate minutes had been taken. She was saying there were definitely some boards where it was advantageous for the staff liaison to take the minutes.

Chairman Bock stated that was something they would have to look at and consider. Again, those were advisory boards at one time and now they had somehow evolved in their ordinances and were a part of the decision-making process.

Commissioner Kost stated they did not make policy; they made recommendations.

Chairman Bock stated but they were in the ordinance.

Commissioner Kost stated the Planning Board was in the ordinance as well.

Chairman Bock stated but a Planning Board was required, and the Environmental Review Board was a local requirement.

Commissioner Kost stated they served as a watershed protection board which was a required board under the Watershed Protection Ordinance.

Chairman Bock stated those were all things that the Board would need to look at.

Commissioner Stewart stated she would also like to see if they could incorporate more youth that might have an interest in government to serve on the boards. They may want to talk about that at some point as well.

Commissioner Kost stated that was a strategy from last year; that is, to work with the school system to get more involvement of youth on the boards.

Commissioner Stewart stated that the Parks and Recreation Board would be a prime example of a board that would benefit from interested youth.

Chairman Bock stated for now, he believed they had a good starting point.

Ms. Henzey summarized that staff would begin to develop some expectations and goals, that they would consider changing names of particular boards to committees, that the term task force appeared to be working for short and specific issues, that March presentations would begin by the advisory boards, and that they would continue to look at the appointment process and the membership numbers of the various boards.

Mr. Starkweather stated that some volunteers came onto a board with zero knowledge and actually created problems because they wanted to do things but did not know how to go about doing them. So, he would encourage the Board to think about some kind of basic training for volunteers so they would understand the goals and duties of the board, who they gave advice to, what happened to that advice, and the like.

Commissioner Stewart stated one thing she liked about the way other communities worked was that, for instance, a city council in Washington State asked for opposing opinions to be presented. In other words, a vote would be taken and a majority would decide on a recommendation, but the opposing views of those who had voted against the recommendation were outlined. That would allow the boards to bring forward a recommendation but also bring forward minority options or views.

Chairman Bock stated that completed their conversation about advisory boards, and would open up the conversation for another ten minutes on any issue a Board member wanted to bring up that had not been on the agenda.

Commissioner Kost stated that she had asked Tom Bender to attend the meeting on February 8<sup>th</sup> to talk about the fire department issue with insurance. She also had a list of outstanding issues that had been put on hold as they transitioned from the previous Board to the new Board. She was not prepared to talk about that today, but would be prepared to do so on February 8<sup>th</sup>.

Mr. Horne stated there had been inquiries from some of the Board members on how special meetings were conducted.

Commissioner Stewart stated she wanted clarification about what was a special meeting and what the actual policy rules were regarding special meetings. Ms. McConnell stated that traditionally a special meeting was any meeting outside of the two regularly scheduled meetings that all five members attended each month. Last year that had been changed, so there was now some confusion.

Commissioner Cross asked what it had been changed to. Ms. McConnell stated she was unsure about that.

Commissioner Kost stated that on Thursday the Board would potentially all be attending the EDC meeting, and asked was that a special meeting. Ms. McConnell stated not if it was not a scheduled meeting of the Board. It had to be a meeting called by the Board and not by some other entity like the EDC. The meeting today, for instance, was a special meeting.

Ms. Paschal distributed the information regarding streamlining the Development Processes for the meeting on February 8<sup>th</sup>.

Commissioner Stewart recommended that staff send out meeting invitations so that she and others could keep up with when meetings were scheduled.

Commissioner Kost stated she did believe they needed to do a better job of notifying the Commissioners of all the various meetings, noting that Commissioner Cross had mentioned to her at the break that he had not received an invitation to the Margaret Pollard dedication. She stated she had not received an invitation either, and knew about it only because someone had mentioned it to her and that the Board of Commissioners had been invited. There was an occasion when she had not been notified about a meeting in Cary so she had missed it, and that was had been concerning since that was her district. She had been informed previously by Cary that Cary would not meet again until this Board made a decision, but then a meeting notice had gone out that had gotten posted deep in the Website which was not a place she typically looked at on a daily basis. So, they needed to do a better job of noticing meetings.

**ADJOURNMENT**

Commissioner Petty moved, seconded by Commissioner Kost, to adjourn the meeting. The motion carried five (5) to zero (0), and the meeting adjourned at 2:30 PM.

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Brian Bock, Chairman

ATTEST:

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