

MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
BUDGET PUBLIC HEARING
MAY 24, 2011

The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the Siler City Town Hall, 311 North Second Avenue, located in Siler City, North Carolina, at 6:00 PM on May 24, 2011.

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

Staff Present: Charlie Horne, County Manager; Renee Paschal, Assistant
County Manager; Vicki McConnell, Finance Officer; and
Sandra B. Sublett, Clerk to the Board

INVOCATION AND PLEDGE OF ALLEGIANCE

Commissioner Petty delivered the invocation after which Chairman Bock invited everyone present to stand and recite the Pledge of Allegiance.

CALL TO ORDER

The Chair welcomed everyone in attendance and called the meeting to order at 6:01 PM.

BUDGET PRESENTATION

FY 2011-2012 Recommended Budget Presentation: Presentation of the recommended budget for Fiscal Year 2010-2011

Charlie Horne, County Manager, stated that Chatham County continues to be in sound financial condition. He stated that the forthcoming recommendations come in a climate of uncertainty. Both the federal and state budget work continues. This budget has been created in that environment stating that they feel that the outcome of those budgets will affect the County, they just don’t know how. They have tried to prepare as best they could in that uncertainty. The economy continues to drag. While we are seeing a rise in economic indicators, it is not flat-line, but it is not a sharp rise. It is a gradual economic situation that we currently see. It is a difficult time for creating this budget. He thanked the department leaders for their responsiveness to the budget requirements. They targeted the proposed cuts that were then carefully reviewed and with minor exceptions, were approved. He thanked the Finance Officer, Assistant County Manager, and Budget Analyst for “bulldogging” the budget which has been an arduous process.

He reviewed specifics of the budget and explained that the General Fund Budget totals \$82,883,972; Waste Management Fund totals \$3,023,413; Water Fund budget totals \$5,613,094; that staff is recommending no tax increase, no change at 62.19 cents; that one penny generates \$851,761; the property values total \$8.8 billion; that anticipated property tax revenue would be \$54,045,000; and that the General Fund Fund Balance appropriated is \$775,052.

Renee Paschal, Assistant County Manager, presented a PowerPoint of the FY 2012 Recommended Budget. She reviewed the budget process, economic conditions, new commitments, mandated services, revenue highlights, major funds, expansion, improvements to the budget document, Commissioners’ goals, fund balance, the Capital Improvements Program, Chatham County Schools, and non-profit agencies. The PowerPoint presented by Ms. Paschal is identical to the PowerPoint presented at the May 16, 2011 Board of Commissioners’ meeting.

PUBLIC COMMENTS

The Chair opened the floor for public comments.

Elaine Chiosso, 1076 Rock Rest Road, Pittsboro, NC, presented her comments to the Board and provided them in their entirety for the record as follows:

“My name is Elaine Chiosso, I live at 1076 Rock Rest Road in Hadley Township. I am the Executive Director of the Haw River Assembly, but am also speaking tonight from my perspective of having lived in Chatham County for almost 40 years. I have served on the Planning Board and as chair of the Environmental Review Board. I have also served on the State Water Infrastructure Council and the Sedimentation Control Commission.

All these experiences have helped me understand the importance of having elected leaders with the vision and wisdom to lead us into the future. We live in a very complex and changing world, and Chatham County is not immune from the changes we are already experiencing due to climate change, petroleum costs, water pollution and water shortages. Leaders must have the knowledge and programs in place to protect our people, our environment and our lands in this changing world.

I believe the budget proposal before the Board of Commissioners does not provide these protections or vision for Chatham County. Instead it undermines the path to a cleaner, greener Chatham County by eliminating the Environmental Resources Division and its Director position, eliminating the green building staff, the green building rebate program and ending county support for municipal parks and the Public Health Community Alternatives Program for Children as well as other cuts to public health programs and education.

I believe these budget cuts are part of a larger goal to reduce environmental protections, and programs that foster public health by saying they will reduce duplication of efforts and create greater efficiency in governments. But this is not true, and there is no budget crisis that requires these cuts. The current Environmental Resources Director and the Environmental Review Board tackle issues facing this county that are much broader and deeper than just providing technical services. Chatham County is blessed with an abundance of natural resources. But it also has many environmental problems including water pollution in the Haw River, the Rocky River and Jordan Lake that contribute to water unsafe for drinking or using for recreation. We need strong support in place in this county to make sure our streams are not filled with mud from new developments. We need expertise to guide the county through decisions about public health consequences of sludge applications to farmland. We need to understand the dangers that could come to our county if hydrofracking for natural gas is allowed.

These budget cuts will weaken our ability to attract quality businesses with high paying jobs by dramatically reducing the county’s “effectiveness” in protecting and enhancing our quality of life, our waters, land and air. A healthy environment is the foundation of healthy lives and a healthy economy. The people of Chatham County do not need developers from as far away as Florida – or as near as Cary - telling us we need to sacrifice our waters and environment to make a welcoming business climate for them. We have thousands of un-built lots in this county sitting empty on bulldozed lands and many streams that are still muddy from the last time we welcomed development with inadequate regulations and enforcement. Let’s not return to those days.

I urge you to reject this budget and make protection of our environment and Chatham resources and people the priority it needs to be. I urge you to keep the Environmental Resources Director position, fill the vacant soil erosion control officer position, fund development of a land use planning map, continue support for parks and the Green Building program, keep environmental protection programs in a separate department, support an effective Environmental Review Board and provide adequate funding for all of the above.”

Sarah Marion, PO Box 1788, Pittsboro, NC, thanked the Board of Commissioners on behalf of the Boys and Girls Club. She stated that they appreciate everything that the Board and staff does. She stated that they have a great program, they are very proud, that they appreciate all of the support, and are very happy to partner with the Board and if they should find extra money floating around, they would make very good use of it. She

recognized the Boys and Girls Club members in attendance. She thanked the Board for the good job they are doing.

Jeffrey Starkweather, 590 Old Goldston Road, Pittsboro, NC, presented his comments to the Board and provided them in their entirety for the record as follows:

“I want to thank you for giving me a second opportunity to speak on this year’s budget. I will be focusing tonight’s remarks on public education.

I believe Assistant County Manager Renee Paschal’s introduction to the budget made it clear that we are not facing a budgetary crisis in Chatham. Most of the people who spoke in support of this budget acknowledged this fact. I want to particularly thank the work of Renee, Vickie McConnell and Charlie Horne and the previous board of commissioners, including two still sitting on this board, for their effort in putting Chatham in sound financial shape.

However, there is one statement Ms. Paschal made about the budget I would contend is incorrect. She stated it does not cut public schools current operations. In fact, this proposed budget doesn’t cover the cost for next year’s projected increase in student enrollment. For the school operations to stay even, they will need an additional \$730,000 in county funds. I consider this a proposed budget cut.

But we are facing two real major crises in Chatham. First and foremost is our job crisis, both short and long term. We have lost thousands of declining legacy industry jobs in the last decade. We have not been attracting 21st century, high paying jobs to replace those jobs and to add new jobs needed to expand our tax base.

We are perfectly placed and poised to attract those jobs, but we need the type of environmental, recreation, water quality, sewer capacity, arts and culture, library and human services investment previous speakers mentioned to be competitive in attracting those jobs. We must remember we are primarily competing for quality jobs against counties in the Triangle - Wake, Durham and Orange – that are well endowed with those infrastructure, program and service investments.

But the most important investment we need to make is to continue to improve and upgrade our public schools. And it is here we are facing our second major crises. In the last four years, our public schools have had to cut their budget by over \$9 million and have eliminated approximately 30 jobs. This year’s budget would cut another 29.33 full-time equivalent jobs and a little over \$2 million in payroll.

I mentioned last night the economic multiplier effect study done for the Economic Development Corporation, which found that for every ten jobs lost another 8.3 jobs are lost in the local economy and total payroll is reduced by 63 cents for every dollar of payroll those direct job losses represented.

Thus, just from this year’s school personnel cuts, the local economy will be hit with another 23.34 loss of jobs and \$1.25 reduction in local payroll. Thus, these cuts, as well as the previous school job cuts and the county jobs, will certainly hurt our local job market and economy in the short run.

Research demonstrates that student learning and performance is directly related to the educational services they receive. Thus, when our children fail to advance as expected due to this loss of educational resources, this is not just a one year loss that can be easily made the following year. Necessary educational learning not obtained in one year will likely be carried forward throughout those children’s educational and work careers. But in this case our children will have experienced a four-year loss of educational service, not just one year. I do not believe this is a loss our children’s and community’s prosperity can afford.

Moreover, despite tremendous improvement in our schools and student performance, the perception in the more affluent parts of our county and outside Chatham is that our public schools are not up to Triangle community standards. Regardless of whether this perception is factually accurate, and I do not believe it is, we cannot afford to continue cutting teachers,

teacher assistants, other professional educators and support staff each year and expect to have the type of competitive public school system that is needed to attract high paying jobs.

Thus, I request that at the minimum you provide our public schools the additional \$730,000 needed to provide necessary educational resources for the projected increase in student enrollment.”

Michael Strong, 618 Rosswood Road, Chapel Hill, NC, stated that as he was driving along Highway 64, he was impressed with what a beautiful County we live in. It was lush and green with farmlands on both sides of the road. He then learned that the Board is cutting back on a position with the green building specialist. We are worrying about the budget where it seems to him, that the biggest problem we have, is the economy. Probably one the best avenues for the County to grow would be in sustainable energy type enterprises and in green building. We should be encouraging this. As he looks around the room, he sees people that have diverse political points of view, but we can probably all agree that we need to have a clean environment and a healthy, beautiful Chatham County for the children to grow up in. He asked that the Board look carefully at the budget to see how to keep us even.

Kim Caraganis, 285 River Bend Road, Siler City, NC, representing Chatham County Together! stated that they have been in the County since 1989. She stated that they had served thousands of at-risk kids and are now serving children of at-risk kids with whom she first worked. She stated that she made a proposal this year to have Chatham County government support their mentoring children of prisoners. They have gotten a federal grant and she asked for \$26,750 which is the same amount she asked for last year. This was to provide matching funds. In the meantime, the federal government zeroed out that program. These kids still live in Chatham County, are at severe risk for ending up in our judicial facility and in jail as their parents have. They live in single parent homes, sometimes living with other family members. They are at extreme risk for all of the things that they don't want them to get into. They provide mentors. Now they are looking at the recommended allocation from Chatham County of \$17,000 which is a 36% cut. She is here to ask the Commissioners to reinstate the \$9,750 to bring them back to where they were last year using their discretionary funds. She stated that they had always been good stewards of money. They have an 18% overhead so they don't spend a lot of money on frills. They are very bare-bones. They also employ Chatham County residents.

Diana Hales, 528 Will Be Lane, Siler City, presented her comments to the Board and provided them in their entirety for the record as follows:

“What makes a good financial steward? Does a good steward set aside a reasonable amount for a rainy-day emergency while spending current tax dollars to maximize benefits for citizens?

Or is it someone who hordes capital and does not spend it on present needs? My understanding is that Chatham County has a cash reserve of 27 percent, well in excess of the State requirement for an 8 percent reserve. Some of this “saved” money could be used to relieve the School system's budget that had to maintain their expenses at last year's level, even though 150 more students will walk through the school-house doors in the fall.

The budget recommends library cuts of 4 operational hours each week but saves less than \$20,000 in a year. Instead, keep those 4 hours in the budget, but use them to extend weekend hours so working people with children can use the facilities.

The municipalities of Siler City, Pittsboro and Goldston look to the County for financial support in maintaining their parks. The paltry budget item of \$16,536 should be restored as a good-faith investment in our towns recreational programs.

One particularly harmful budget cut is the position of Environmental Resources Director coupled with moving all environmental functions under county waste management. Your message here clearly is that environmental protection is just so much garbage. It is disingenuous to say you support a clean environment when your actions dismantle the very county mechanisms that help make a cleaner Chatham possible. We need our local expertise on the Lake Jordan Rules, today: You cannot depend on State personnel. People continue to clear land that impacts surface waters and Jordan Lake, a drinking water source for thousands. By using some of this 27 percent cash reserve to fill the vacant soil and erosion

control officer position, you will do more for the future health of our public trust waters than any other action.

Economic development will not flow to the counties racing to the cut-rate bottom. Chatham is not broke. More investment now keeps money moving around the County and can position this County as a wonderful place to live, invest, and work.

Judy Harrelson, 118 Greentree Lane, Siler City, NC, presented her comments to the Board and provided them in their entirety for the record as follows:

“Thank you for your time last night in Siler City to review the proposed budget and hear public comments. I understand it's a lot of work by many people to put together the almost \$83m budget.

I would like my comments here to be put into public record. As I said at the hearing, the new Justice Center is now part of our budget at a potential \$2.4-3.6 million. However, I don't know anyone who said they moved to Chatham County because of the great Federal Prison system. People love Chatham County for the beauty of the scenery, because we care about our environment and show we are good stewards of it, because of the wonderful people who help and care for each other. We have a great quality of life here.

There are many groups and organizations that are asking for very little to fund their programs. The money goes a long way because the organizations find numerous volunteers to work with them. Volunteers don't cost the county any money, but provide that wonderful quality of life that makes Chatham County the best place to live. Organizations that help kids and seniors many of whom will or have given their time, money and hearts to this county.

Many groups actually help keep people out of prison. CCT (Chatham County Together) for example who finds mentors for kids in need. We as mentors, come free, CCT just need the funds to coordinate finding the mentors. Mentoring is an extremely rewarding service and all of us that mentor know we are improving the quality of life for our mentees as well as ourselves and our county. Boys & Girls Club also offers support for at-risk kids.

With \$2.4-3.6 million being allocated on keeping criminals behind bars, isn't it worth spending a small percentage of that to keep our young citizens out of jail as well as a good quality of life for all who live here?

We all know jobs are a key factor, especially in this economy. Small businesses create 60-80% of all new jobs in this country. More than half of all Americans either own or work for a small business. Yet, in Chatham County are we focusing on helping small businesses to prosper and hire new employees? While the EDC wants job creation, the focus appears to be on attracting large businesses to move here. Mass manufacturing and giant corporations are dwindling and moving overseas. Our future is in small businesses. In my opinion, it is far better to attract and keep 10-20 small businesses who each hire 5-10 people than it is to use our resources going after the one big business that *might* bring in 50-200 people. If one small business cannot survive you've lost 5 or 10 jobs. If a large corporation closes, as in the Townsend chicken, Joan Fabrics situations you lose 100+ jobs at one time.

Since there isn't a crisis to slash the budget, I ask that you reconsider funding some quality of life programs and the reason people love Chatham County. Spending a little money now in prevention can avoid a lot of money in the future for a cure.”

Donna Snyder Worthington, 512 Park Drive, Siler City, vice chair of the East Siler City Precinct of the Chatham County Democratic Party, stated that she was born and raised in Chatham County. She has been gone for a long time and was shocked when she returned to the County at the progress that has been made here. We have a beautiful County and one of the most beautiful spots on earth. Some of the things that they are discussing in the Democratic Party are: 1) Jobs is the number one priority, but economic development is critical in order to make jobs. 2) Education must also be a priority. 3) Healthcare must be reformed. 4) Immigrants have provided amazing benefits to our economy in this country. 5) Poverty and housing are self-explanatory. 6) Privatization and the role of government is really something to talk about. We need open government and to be able to come to a place

like this and talk and tell you how we feel so we can get together and make the best decisions for the people of Chatham County. She respectfully requested that the Board consider what she said because if they do not, they are going to do damage to this beautiful place we call home.

Bill Milholen, 79 Medinah Lane, Siler City, NC, stated that he is a part of the Boys and Girls Club and wanted to applaud the Board for what they are doing in going forward and not raising taxes. He stated that he thinks we are doing a lot for education. Last year the Boys and Girls Club had 106 students in the summer. He thinks they now have a waiting list. They are looking at moving to an expanded location as they are cramped where they are. They appreciate the funding they get. All of their other funding they have to beg for, apply for grants, and get individual donations. He thinks what they are doing is going to help with education. They received a good report from Robert Logan regarding honor roll students coming out of the Boys and Girls Club. He thanked the Board for holding down taxes and for trying to run a tight fiscal ship.

Daniel Pantoja, 406 Dowd Street, Siler City, NC, stated that he has lived in the County about six years. He is concerned about the jail. He stated that it doesn't make sense to him to spend \$2.4 million to build a jail in this County. We should invest the taxpayer's money instead to improve education, improve the quality of water, etc. He stated that it is not healthy to spend money in this way and the money should be spent to provide jobs.

Jasmine Andrews, 1019 South Second Avenue, Siler City, NC, stated that she is a part of the Boys and Girls Club. She thanked the Board for their support stating that we do not need the kids to become part of her work with the Department of Corrections. She states that she feels that it starts with how they grow up. She stated that if they can have the programming and funding, it will help prevent kids from ending up where she works.

ADJOURNMENT

Chairman Bock adjourned the meeting at 6:47 PM.

Brian Bock, Chairman

ATTEST:

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