

**RICHMOND COUNTY BOARD OF COMMISSIONERS
RICHMOND COUNTY ADMINISTRATIVE OFFICE BUILDING
BUDGET WORK SESSION
MONDAY, JUNE 7, 2010, 1:00 P.M.**

The Richmond County Board of Commissioners met for a Work Session on the 2010-2011 Proposed Budget with the following present: Chairman Kenneth R. Robinette; Vice-Chairman John B. Garner; Commissioners Peggy Covington, Pamela N. Dillman, Jimmy L. Maske, and Thad Ussery. Commissioner Paul Wilson, Jr. was absent due to recuperation from surgery.

The meeting was called to order by Chairman Robinette at 1:00 P.M.

County Manager Sago offered to spend as much time as the Board would like in working on the budget.

Mr. Sago explained that whenever he had started to work on the budget there had been a \$3,000,000.00 difference between revenues and expenses. Sales Tax revenues were down by \$1.8 million from 2009, and basically Mr. Sago advised that all revenues had come in under projections. However, Mr. Sago did not recommend an increase in sales tax. The challenge of balancing the budget had also been complicated by increased health insurance costs. Mr. Sago advised that unfortunately, employees will see an increase in insurance deductibles from \$500.00 to \$1,000.00, and all co-pay amounts will increase. As a self-funded insurance program, Mr. Sago explained that due to higher than normal claims in the current year, the insurance program was under-funded by \$300,000.00. In working with county departments, Mr. Sago advised that all departments had been cooperative, and all budgets came in with requests below the prior year's request. The schools' budget has been recommended for funding at the prior year level.

In further discussion of departmental budgets, Mr. Sago advised that the Solid Waste Enterprise Budget is balanced and is less than the prior year budget.

The Water Enterprise Fund, Mr. Sago advised is \$225,000.00 less than the prior year, and he noted that personnel changes have been made to realign responsibilities.

In related discussion, Mr. Sago advised that he has recommended that 5 employee furlough days be included in the 2010-2011 Budget, which will net savings of \$225,000.00 for the County. It was noted that this is the second consecutive year that county employees have received no pay increase, so Mr. Sago recommended that two additional paid holidays be included to offset the cut in pay. There was discussion of the furlough days, and Mr. Sago commented that the furlough days would all be on Fridays and the Health Department does not have clinics on Fridays anyway.

Commissioner Dillman expressed concern that something should be done for the employees, and she suggested a \$100.00 check for each employee. Mr. Sago pointed out that the additional days off would serve as additional compensation to employees.

Commissioner Dillman questioned whether contracted services for Jim McCaskill to represent the County at BRAC meetings should be continued. County Manager Sago assured the Board that the minimal cost for Mr. McCaskill to attend and report on BRAC meetings is extremely valuable to him since he is already serving in the capacity of County Manager and Economic Developer and not always available to attend BRAC meetings. The Board agreed by consensus to continue Mr. McCaskill's services.

Mr. Sago recommended that the Friday before Labor Day, September 3, and employees' birthdays should be added as the two additional paid holidays for employees.

Commissioner Ussery asked if there were any leftover funds from the Judicial Center construction project. Mr. Sago advised if there are any leftover funds this could save in the long run, as the money would come back to offset the bond debt. Mr. Sago reminded the Board that \$22,000,000.00 had been borrowed for this project and \$2,000,000.00 for the RCC roof project.

Commissioner Dillman questioned funding for various line items – Sheriff's Department uniforms. Mr. Sago advised that \$60,000.00 had already been cut from the Judicial Center budget for this item. Commissioner Dillman asked about the Professional Services line item in the Jail budget, and Mr. Sago advised that this could be for attorneys or for jail-related studies. Commissioner Dillman asked what constituted a Purchase Subject to Inventory, and Mr. Sago advised that any purchase of \$5,000.00 or more is in this category. In discussion of Airport Professional Services, Mr. Sago advised that this is for engineering services, weather radar, etc.

Chairman Robinette commented on the importance of planes that are based at the airport for tax purposes.

Commissioner Dillman questioned the expense of upgrades in Mapping, and Mr. Sago explained that the estimated cost of GIS upgrades is \$21,000.00.

In discussion of the Economic Development Budget, Commissioner Dillman asked if funds should be included this year for funding of the Economic Developer position. Mr. Sago did not think so for at least the first six months of the year. Mr. Sago assured the Board that he did not think that the Economic Development Program had suffered and that he would alert the Board if he felt that this position should be funded.

There was discussion of the N. C. Child Support Program becoming a part of Social Services and therefore a county expense, effective July 1, 2010. Mr. Sago commended the efforts at DSS in preparing to assume responsibility for this program at the County level.

Commissioner Maske remarked that the County is getting a bargain with Mr. Sago serving as Economic Developer.

Commissioner Covington inquired about the proposal to merge the meal programs for the Rockingham and East Rockingham Senior Centers. Mr. Sago advised that Aging Services Director Jacqueline Adkins will discuss this proposal at the Regular Meeting.

Commissioner Ussery inquired about plans and cost for renovations at the old court house. County Manager Sago confirmed that the Board has not approved any expense for renovations to the old court house. Mr. Sago noted that \$15,000.00 has been included for improvements and \$90,000.00 has been budgeted for maintenance and repair of all county buildings.

Commissioner Ussery asked if any department being moved in the old court house would lead to unforeseen expenses and whether any offices could be combined that are currently located in outlying buildings.

Mr. Sago advised that in many instances, the cost of renovations would result in greater expense than the cost of maintaining offices in current locations.

Commissioner Maske confirmed that the Board would have the opportunity to vote on any plans for renovations as prepared by Ware Bonsall Architects.

Commissioner Ussery felt that as many offices as feasible should be combined.

In further discussion of employee benefits, Commissioner Dillman felt strongly that monetary reward should be provided to employees. County Manager Sago contended that the two additional paid days off would be beneficial to employees and would demonstrate a gesture of good will to the employees. Mr. Sago added that the Board could revisit this issue at a later date, perhaps mid-year. However, Mr. Sago cautioned that available revenues are directly impacted by the continuing decline in sales tax revenues.

By common consent, the Board approved the additional holiday in conjunction with Labor Day on September 3 and employees' birthdays.

There was discussion of the Leak Street Center request for funding. Chairman Robinette advised that a landscape project is being donated to Leak Street by Lowe's and others.

Commissioner Covington recommended increasing the donation for Leak Street from \$2,000.00 to \$5,000.00. Commissioner Covington stressed the importance of after school programs and how much of the SOS Programs have been cut.

Commissioner Dillman added that a number of local churches are offering after-school programs funded by the congregation.

County Manager Sago advised that the request for funding from Leak Street had just been received and this is a decision entirely to the discretion of the Board.

Commissioner Ussery recommended a \$2,000.00 donation to Leak Street.

Commissioner Covington questioned the JCPC Program and requested additional information on how these funds are utilized.

In discussion of Transportation for Work First, Mr. Sago explained that much of the County's funds at DSS and Health are used to leverage state and federal funds.

County Manager Sago agreed that he could find \$2,000.00 in the budget to fund a contribution to Leak Street, and he offered to have Curtis Ingram appear before the Board during the July Meeting to provide a breakdown of how JCPC funds are used.

There was discussion of Richmond Interagency Transportation funds through the federal Rural Operating Assistance Program (ROAP) and of Mr. Ed O'Neal's anticipated request for donation of a surplus van from RIT for transport of veterans.

A motion was offered by Commissioner Maske to donate \$2,000.00 to Leak Street Center. The motion was seconded by Commissioner Ussery and carried unanimously.

Chairman Robinette recommended that the Board vote on the budget at the evening meeting, and he commended County Manager Sago on his hard work on such a challenging budget year.

Commissioner Maske commented on the use of Fund Balance, and Mr. Sago advised that he hoped to only use \$500,000.00 to balance the current year budget, although \$2.3 million had been budgeted.

In further comments, Mr. Sago advised that he hoped to have \$4,000,000.00 to \$5,000,000.00 in additional revenue from the Progress Energy facility for next year's budget.

There was discussion of whether an additional sales tax would be good for the County, and Commissioner Garner referenced the graphs provided by the County Manager and the importance of operating within the funds budgeted.

There was no further discussion of the FY 2010-2011 Budget, and the meeting adjourned at 3:00 P.M. by a motion of Commissioner Garner, seconded by Commissioner Ussery and unanimously carried.

Marian S. Savage, CMC, NCCCC
Clerk to the Board of Commissioners