



Chatham County, NC

Meeting Minutes

Board of Commissioners

Thursday, May 23, 2024

9:00 AM

EOC Meeting Room 112 Innovation Way

Budget Work Session - 3 Days: May 23, 24, 29, 2024 (Note: All 3 days may not be held)

The Board of Commissioners met for two days on Thursday, May 23, 2024 and Friday, May 24, 2024. The third planned day was not required.

Present: 5 - Chair Mike Dasher, Vice Chair Karen Howard, Commissioner David Delaney, Commissioner Franklin Gomez Flores and Commissioner Katie Kenlan

BOARD PRIORITIES

[24-5320](#)

Introduction

Attachments: [Work Session Presentation FY25 Final](#)

County Manager Dan LaMontagne stated that Staff has prepared a budget that is balanced as required by statute in the time frame required by statute. The budget that can now be finalized as the Board's budget, and Staff are completely open to changes that the Board may want.

LaMontagne asked Budget Director Darrell Butts to review the recommendations with the Board of Commissioners.

[24-5321](#)

General Fund Revenue and Fee/Rate Changes

Budget Director Darrell Butts gave an overview of revenue which included: Register of Deeds Excise revenue and Environmental Health revenues down from last year. The reason for the decrease is due to a slowdown in residential development in FY23 and FY24. Inspections revenues are the highest revenue year ever, which is driven largely by Wolfsped. Sales tax continues to show growth but is slowing down. Locally collected articles are approximately eighteen percent over last year, statewide articles are approximately six percent over last year. Ad Valorem property tax collections are overall solid collections, with one hundred percent of budget collected by end of March. Projecting revenue will exceed expenditures at year-end, due in large part to inspections revenue.

Butts shared the new, altered, and increased fees proposed:

1. Agriculture & Conference Center Rental Fee to increase for a cost recovery and an adjustment to non-profit discount rate from fifty percent to twenty-five percent.

2. Parks, Recreation, & Cultural Resources Summer Camp fee increase in per week fee for more effective cost-recovery due to increased camp counselor pay and an

income-based sliding scale for this fee has been recommended.

3. Central Permitting and Fire Inspections have significant changes to fee structure to increase equity and consistency of fee charges and to account for increasing cost of service provision. Also have a new optional fee for express/preliminary review for both additions/alterations and new construction and after-hours inspections for commercial projects only.

4. Environmental Quality has increases to electric vehicle charging fees due to increased electricity rates.

5. Library is adding a new color copy fee to allow for cost recovery of copying/printing color copies as a new service at all three library locations. The service has been frequently requested by patrons and the fee is consistent with the state average.

6. Environmental Health is adding a new pool remodel plan review fee to capture additional staff time required to evaluate and approve remodels of various aspects of existing swimming pools. The Educational Class Registration is increased due to increasing costs of educational classes, fee increase is needed to ensure operational expenses are covered by the attendees.

7. Public Utilities increase to the meter set fee (3/4 Inch) to cover cost of materials. A standard 3/4 Inch water tap fee for separates meter set fee from water tap fee. Increase is needed due to increasing cost of materials and labor. System Development Fee increase needed to address rising costs of materials, equipment, and labor required to expand the capacity of the County water system. Water Usage Rates increasing fifteen percent to existing rates. Increase is needed in order for the enterprise fund to remain financially solvent and to address recent financial pressures as a result of increased cost of materials, equipment, and labor.

Butts overviewed the general fund revenue, which included:

1. Permits and fees are expected to decrease by eleven percent.

2. Building Inspection fees are expected to decrease by thirteen percent from the current year due to the significant commercial permits/inspections realized in FY24, leading to a record year.

3. Register of Deeds fees are expected to have no change from current year.

4. Charging stations are seeing increased usage and proposed fee increase consistent with rate increases.

5. Other taxes and licenses are expected to increase by twenty-six percent.

6. Occupancy tax is expecting an increase of thirty-three percent from current year.

7. The Register of Deeds excise projecting a increase of twenty five percent from current year, seeing a slower residential real estate market in previous year. Returning to FY23 budgeted amount, predicting a slight increase in growth. Projected increase in real estate transactions, especially residential, but not back to the FY22 peak year.

8. Charges for service are expected to decrease by three percent.

9. Medicaid charges are expected to decrease of five percent from current year.

Medicare and Medicaid revenues across the board are decreasing.

10. Recreation fees expect an increase of seventy one percent from the current year due to the additional programs of arts programming and additional summer camp weeks and an increased participation in current programming.

11. Environmental Health fees expect a decrease of nine percent from current year.

12. Sales Tax is expected to increase eight percent. Through February sales, Articles 39 and 42 are trending eighteen percent over the same time period last year. Article 40 based on statewide collection, trending six percent over prior year. Article 46 is eighty two percent of the budget collected through nine months of collections this year. Assuming continued moderate growth in FY 2025, while also protecting the County from serious harm in the event of an economic slowdown or downturn. Projecting FY 2025 sales tax collections will be approximately two percent above FY 2024 year-end estimated collections.

Butts stated that transfers in are decreasing by three percent. No change in the budget for impact fees from FY 2024, which is needed to cover debt payments for multiple schools as well as several smaller projects. Decrease in debt reserve of four percent in transfer in for the increase in restricted sales tax, used for School's debt and staggered principal, due to refunding in FY 2025. Butts shared the amounts for transfers in and out and appropriated fund balance.

Butts stated the property tax is expected to increase of approximately five percent and this budget recommends an Ad Valorem property tax rate to 72.5 cents per \$100 of valuation, which is a four-cent increase from the current year of 68.5 cents per \$100 of valuation. Projecting to see increased revenues of about four percent due to increases in valuation.

The Board of Commissioners discussed the proposed revenue, fees, and property tax rate increase.

[24-5322](#)

General Fund Expense

Budget Director Darrell Butts gave an overview of general fund expenses and stated that he and the other members of the budget team Budget Analyst Erik Lindley and Budget Analyst Will Curvin will present.

Budget Analyst Eric Lindley introduced the details of the Administration budget, which are departments that provide support functions for departments that deliver services as well as non-departmental expenses.

Lindley shared the Agriculture and Conference Center proposed budget. The continuation budget includes an increase in revenue due to fee changes and this division's budget includes \$113,904 in one-time expenditures.

Lindley stated that this department has four expansion that are recommended for FY2025, which include an announcer stand for the arena, mobile restroom trailer for use with outdoor events, picnic tables for use outdoors, and nesting tables for indoor event use.

The Board of Commissioners discussed the convention center and the usage.

Lindley shared the details of the County Attorney budget which includes a decrease in the professional services line and stated that some requested continuation increases were not recommended based on expenditure trend analysis. He stated that significant savings were realized in the professional services legal line over previous years. There were no expansions in this department.

Lindley reviewed the details of the County Manager department budget which has some requested continuation increases that were not recommended based on expenditure trend analysis. The department has a proposed expansion which includes the Conservation Working Group-Central Pines Regional Council grant assistance program.

Lindley reviewed the recommended budget for the Court Facilities and the Justice Center. The recommended budget includes funds for the annual payment to jury commissioners. An increase to \$1,500/year and the change to annual was requested by Judge Baddour during the FY24 budget process to keep the Chatham and Orange jury commissioners consistent and was approved by the Board of Commissioners. This budget continues funding at the same rate as FY24.

Lindley shared the details of the Facilities Management budget. The Capital Maintenance and Replacement Plan line has reduced, and the division's budget includes \$56,818 in one-time and capital outlay expenditures.

Lindley reviewed the Facilities-Fleet budget which includes \$5,600 in one-time expenditures. Two expansions were requested for this department including and additional staff member to manage increased maintenance needs of the growing fleet and an alignment machine.

Lindley gave an overview of the Finance budget which reflects increases in contracted services and training, in addition to increases in salary and benefits. Some requested continuation increases were not recommended based on expenditure trend analysis. Two expansions were recommended which include a Financial Analyst and the Tyler Planned Annual Continuing Education Program.

Butts shared an overview of the General Services recommended budget which included the transfer to the debt and capital reserves as well as two of the transfers related to the Article 46 sales tax revenues for Affordable Housing and Agricultural Preservation & Enhancement. The recommended transfer to the debt reserve is increasing by \$725,672 which is consistent with the funding model. There was one expansion requested and a recommendation for this department. Central Pines Regional Council grant assistance program.

Butts reviewed the Human Resources budget which has some continuation Increases in software and training expenses along with increases in salary and benefits.

Curvin reviewed the Management Information Systems recommended budget which reflects salary, benefits, and operational expenses related to Geographic Information Systems moving to a separate department in FY 2025. Changes to this budget also include increases to salary and benefits, as well as operating expenses due to rising software contract costs. This department's budget includes \$26,200 in one-time expenditures. Two expansions were requested by this department, but not recommended. The request included a new position of Data Compliance & Policy Analyst and Mobile Device Management Software. These expansions will likely be requested next fiscal year to ensure proper data management on county devices and

networks. The removal of geographic information systems results in a total decrease of 10% compared to the current year's amended budget.

Curvin shared the details of the Geographic Information Systems recommended budget for this new department which is comprised of Geographic Information Systems costs included within the Management Information Systems budget in previous years. Additionally, there are some increases in operating expenses related to contract costs. This department's budget includes \$16,350 in one-time expenditures.

Butts overviewed the Education, Culture, and Recreation group.

Butts shared the Central Carolina Community College recommended budget which includes increases related to salary and benefit increases associated with the biannual state budget and contracted security services. This division's budget includes \$200,000 in capital outlay expenditures. These funds will be used to replace the heating and air condition controls and upgrade fire alarm systems at the Chatham Main Campus, paint the parking lots, and replace flooring at the Health Sciences Center.

Butts gave an overview of the Schools requested budget, which changed since the budget retreat. The Board of Commissioners discussed the request including the transfer to the charter schools and teacher supplements.

Curvin reviewed the changes in the Cooperative Extension budget which are associated with changes in salary and benefits set by the state. This department's budget includes \$10,000 in one-time and expenditures for computer replacements.

Lindley shared the changes in the library budget which reflect the increase in cost of supplies (books and other media), contracted services, and increases to salaries and benefits.

Curvin reviewed the Park, Recreation, and Cultural Resources recommended budget which includes inflationary operating increases as well as increases for additional weeks of summer camp, arts programming, and temp program instructors. This budget also includes \$263,501 in one-time and capital outlay funding. This includes expenses for arts programming, park maintenance, equipment, and a no rise certification to certify feasibility for the Haw River Access Bathroom Capital Improvement Project. Some requested continuation increases were not recommended based on expenditure trend analysis.

Butts gave an overview of the General Government group.

Curvin shared the Elections recommended budget which included increases in temporary salaries, postage, and supplies for general election needs in the upcoming fiscal year. This department's budget includes \$20,925 in one-time expenditures for computer replacements.

Lindley reviewed the Governing Board budget reflects an increase in contracted services as well as increases in salary and benefits. Some requested continuation increases were not recommended based on expenditure trend analysis.

The Board of Commissioners discussed the budget and the details of what was included.

Lindley shared the recommended budget for Register of Deeds which includes

increases in salaries and benefits and slight inflationary increases to operating expenses. This department's budget includes no one-time or capital outlay expenditures.

Curvin shared the recommended budget for Tax Administration including the increases in salaries and benefits and increases in contracted services costs due to county population increases. Curvin shared details about the expenses for revaluation, changes in the Tax Assessment & Revaluation budget include increases in salary and benefits and contracted services for software. This department's budget includes \$1,250 in one-time and capital outlay expenditures. Two expansions were requested and recommended for a Revaluation. Two expansions are recommended for FY 2025 to perform revaluation processes in-house to improve the revaluation process and decrease contracted services costs in the Revaluation Fund. One Reappraisal Manager and one Commercial Tax Appraiser are recommended to transition the tax revaluation process from being conducted primarily by contractors, who may or may not have direct knowledge of the area, to being conducted primarily by in-house staff with some assistance from contractors. The total cost of the Reappraisal Manager includes the cost of a vehicle among the other standard costs of a position including salary, benefits, and operating costs such as supplies/computer. The costs of these positions are completely offset by a reduction in the required transfer from the General Fund to the Revaluation fund.

Butts gave an overview of the Human Services group.

Curvin stated that the Aging recommended budget includes increases to salaries and benefits, contract increases, additional funding for contracted senior center activity instructors, and dues and subscriptions. Some requested continuation increases were not recommended based on expenditure trend analysis. This department's budget includes \$7,000 in one-time expenditures. From FY24 to FY25 budget, the biggest change in the budget is the grant-related expenses.

Lindley stated that there was no increase for the FY25 Chatham Trades budget.

Curvin shared the Chatham Transit budget which fluctuates according to the cost of the vehicles that need replacement. Some funds previously granted to the Council on Aging have transferred to Chatham Transit.

The Board of Commissioners had a lengthy conversation about the importance of public transit in the community.

Curvin reviewed the Department of Social Services recommended budget which includes changes to fluctuations in federal and state funding. Some requested continuation increases were not recommended based on expenditure trend analysis. The department's budget includes \$78,983 in one-time expenditures. The expansion budget includes five new positions. One Child Welfare Adoption Social Worker is needed to ensure that Social Services can effectively and efficiently manage the adoption program and reduce the number of children waiting for adoption. This position has offsetting revenue equal to approximately 50% of the position cost. This position is funded for 3/4 of the fiscal year and will not be filled until October 1, 2024. Three Income Maintenance Caseworkers are needed to address the continued steady growth in the Food and Nutrition Services program. One of these positions would be dedicated to Food and Nutrition Services applications while the other two would be for Food and Nutrition Services reviews and ongoing casework responsibilities. These positions have offsetting revenue equal to approximately 50% of the position cost. Additionally,

funds for a temporary position were included in the FY2024 budget, these funds will be eliminated in the FY2025 budget with the approval of these positions. These positions are funded for 3/4 of the fiscal year and will not be filled until October 1, 2024. One Child Welfare On-Call Social Worker is needed to reduce the amount of on-call/after-hours work that child welfare social workers must respond to. Currently approximately thirty percent of all calls come in after normal business hours. This position will help to ensure that cases are initiated within the time frame required by the North Carolina Department of Social Services. This position has offsetting revenue equal to approximately 50% of the position cost. The costs of all positions are offset by revenue as they are approximately 50% reimbursable by the state. One-time expenses include computer replacements and a new vehicle. The Department of Social Services budget fluctuates according to increases or decreases in federal and state funding. The budget also includes increases for salaries and benefits and travel due to some staff training and a greater usage of fleet vehicles related to client services.

Curvin shared an overview of the Public Health recommended budget which includes changes according to fluctuations in federal and state funding. Some requested continuation increases were not recommended based on expenditure trend analysis. This department's budget includes \$79,755 in one-time and capital outlay expenditures. There was one expansion requested recommended for this department. Funding for well remediation contracted services is recommended to address contaminants in private wells through repair and treatment. This expansion is in tandem with the health department's efforts to decrease the cost of well testing for residents not able to afford the service as both testing and mitigation of contaminated wells can be cost-prohibitive and reduce equitable access to clean water sources.

The Board of Commissioners discussed the vehicles being funded and the possibility of electric vehicles.

Curvin shared the Non-Profit Funding which the Board of Commissioners agreed to earlier in the year to a total \$350,000 available for funding has been awarded. Curvin shared a list of agencies awarded funds for services.

The Board of Commissioners discussed the list including the previous request, programs, the evaluations, and funding the increases by the same amount.

Commissioner Delaney questioned if recusals on these non-profits should be made during the deliberations. County Attorney Bob Hagemann stated that he was not hearing anything about the specific individuals, but the conversation was more global.

The Board continued to discuss the non-profit process including, establishing a ceiling, applying a percentage, increasing the amount in the fund, and having a standardized mechanism for funding.

Butts shared an overview of the budget for Vaya Health-Mental Health which is Chatham County's managed care organization.

The Board of Commissioners recessed for lunch at 12:23pm.

The Board of Commissioners returned at 1:15pm.

Chair Dasher made the following statement: I had a conversation with the County Attorney about concerns that one of my colleagues has raised around non-profits. The County Attorney assured me that in his opinion, I did not do anything improper. But to prevent any further confusion, I want to let you all know that I am officially resigning

from the board of the Chatham County Partnership for Children. Commissioner Howard stated that she is deeply disappointed in the continued distraction from the work of this board by the same individual, but the work must go on.

Butts shared an overview of the Natural Resources Management group.

Lindley reviewed the Central Permitting budget which includes increases in salary and benefits and some inflationary increases. A decrease in revenue from the previous year's amount is expected due to the front-loaded payments of large industrial projects. This department's budget includes \$162,000 in one-time and capital outlay expenditures.

Curvin shared the Convention and Visitor's Bureau recommended budget, which is funded by occupancy tax, includes increases to salary and benefits. This department's budget includes \$22,200 in one-time expenditures for improvements to websites, such as a new platform for the online events calendar in order to advertise the more than 1,100 events held annually in the county. Two expansions were requested and recommended for this department. The transition of a part-time Marketing Specialist to a full-time position and the Wander Map software to allow residents and visitors to create customizable digital itineraries with local attractions and events.

Curvin reviewed the Economic Development Corporation recommended budget which includes continued funding for the Business Retention and Expansion position added in FY 2024 as well as inflationary increases to operating expenses. Also included within this budget is the allocation for economic development incentives, which is decreasing in FY 2025 due to a large incentive agreement coming to an end in FY 2024. There were five expansions requested, but not recommended.

Lindley gave an overview of the Planning budget which reflects a decrease in operating expense due to the UDO consulting fees and increases in salary and benefits. There was one expansion requested and recommended for this department for an additional vehicle to address increased travel commitments and responsibilities.

Curvin shared the Soil & Water recommended budget includes an increase to salaries and benefits and some inflationary increases. This department's budget includes no one-time or capital outlay expenditures due to one-time and capital items purchased in the current fiscal year.

Curvin reviewed the Sustainability recommended budget which includes increases for electricity and supplies related to EV charging stations, as well as training events and workshops for staff. This department has a recommended expansion is for Enpira Software to collect, input, analyze, and provide an easily accessible dashboard for all county energy, water, and fuel usage, as well as public EV charging and county building solar production. This data will allow the county to better identify issues and direct resources to correct them.

Lindley shared the Watershed Protection budget which reflects a decrease in operating expenses and increases to salaries and benefits. Some requested continuation increases were not recommended based on expenditure trend analysis.

Butts shared an overview of the Public Safety group.

Curvin reviewed the Diversion & Advocacy Programs recommended budget, which includes four divisions. This budget reflects increases in salaries and benefits and

some increases for contracted services. The Family Visitation and Family Treatment Court divisions, currently grant funded, have some decreases in operating costs due to state and federal grant funding ending after the first quarter of FY 2025. Some requested continuation increases were not recommended based on expenditure trend analysis. This department's budget includes \$2,980 in one-time expenditures. One expansion was requested and recommended for this department for a Reentry Case Manager which will implement effective reentry services in Chatham County.

Lindley reviewed the Emergency Communications budget which includes an increase in salaries and benefits. Some requested continuation increases were not recommended based on expenditure trend analysis. One expansion was requested for this department for a Telecommunicator, but not recommended.

Lindley reviewed the changes in the Emergency Management budget reflect increases in salary and benefits.

Lindley shared the Emergency Medical Service budget, which reflects an increase to the contract with First Health.

Lindley shared the Fire Inspections budget, which shows an increase for salary and benefits.

Butts shared the Sheriff's Office Animal Resources recommended budget which includes the replacement of two animal resources trucks and the animal containment boxes for the vehicles. This division's budget includes \$147,890 in one-time and capital outlay expenditures. There were seven expansions requested for this division and six are recommended. One Animal Resource Officer to improve response time for animal-related calls, which would start October 1st and includes all necessary equipment. Four Animal Shelter Attendants to provide better care to animals at the shelter and respond more promptly to the public. The completion of the Animal Resource Center Surgical Suite to allow for spay/neuter surgeries of adoptable animals to happen in-house and reduce the delay in them leaving the shelter.

Butts reviewed the Sheriff's Office Detention recommended budget which includes increases in salaries and benefits, related to the full-year implementation of the pay study and the recommended salary increase. This division's budget includes \$16,551 in one-time and capital outlay expenditures. There were two expansions requested for this division and two were recommended, which include a Maintenance Officer that will be responsible for maintenance/repairs in the Detention Center and an increase in the Detention Center medical contract to allow for an increase in the number of hours that a nurse is on-duty at the Detention Center.

Butts reviewed the Sheriff's Office Law Enforcement recommended budget includes the replacement of fourteen vehicles, including all after-market up fits needed to prepare the vehicles for use. Some requested continuation increases were not recommended based on expenditure trend analysis. This division's budget includes \$850,575 in one-time and capital outlay expenditures. There were nineteen expansions requested for this division and eleven are recommended. A Forensic Tower to assist with data retrieval and storage for cases where electronic data is needed. One Intern to assist in policy updates and creation, specifically around accreditation. The first phase of body camera replacements and transitioning to the Watchguard cloud server storage. Eight Deputy Sheriffs to increase the law enforcement presence within the county.

The Board of Commissioners discussed in length the Sheriff's Office budget including the number of staff and service to private developments.

Butts shared an overview of the Enterprise Fund Summary group.

Curvin reviewed the Solid Waste & Recycling recommended budget, which is funded primarily by the solid waste fee, includes increases in salaries and benefits, contracted services, and maintenance of equipment and vehicles. Some requested continuation increases were not recommended in order to balance the fund. The Enterprise fund balance was appropriated to cover the one-time capital expense for a roll-off truck, two new compactors, and other equipment.

Butts shared the Southeast Water District recommended budget, which is funded primarily by water sales in the Southeast District, is largely the same as the current year's budget. There are some minor changes to existing debt payments.

Lindley shared the Utilities budget which has increases in salary and benefits in addition to steep increases in operating costs and capital outlay caused by the completion of one-time spending. Some requested continuation increases were not recommended based on expenditure trend analysis. One expansion was requested and recommended for a Utilities Customer Service Tech.

24-5323

Other Funds

Budget Analyst Erik Lindley reviewed the Fire Department Tax Rates. The Silk Hope Fire Department, which provides service for the Hope district, proposed a 1.5 cent increase. The increase would bring their tax rate to 9.75 cents. This increase would be used to fund the capital costs of a new building/substation. The Northview district proposed a 0.4 cent increase. The increase would bring their tax rate to 9 cents. This increase would be used to fund increased staffing. The City of Durham Fire Department, which provides service for the Parkwood district, is requesting an increase of their contract payment pursuant to the standing Interlocal Agreement.

Budget Analyst Will Curvin stated that the special revenue and reserve funds account for the proceeds of special revenue sources that are legally restricted to expenditures for specific purposes.

The Board of Commissioners discussed other salaries including the County Manager, Register of Deeds, Sheriff, and Board of Commissioners.

The Board of Commissioners recessed for a short break at 2:37pm.

The Board of Commissioners continued the work session at 2:48pm.

Budget Director Darrell Butts stated that this is the Board's budget now and asked for any changes.

The Board of Commissioners reviewed and discussed the Chatham County Schools request, teacher supplement, fund balance, tax rate, capital improvement projects, and funding request from the Sheriff's Office including the new positions.

The Board of Commissioner asked Staff to bring back some updated numbers and recess at 3:57pm and will resume the workshop at 10am on Friday, May 24, 2024.

[24-5324](#)

Discussion

The Board of Commissioners reconvened at 10am on Friday, May 24, 2024 to continue the Budget Work Session for the 2024-2025 budget.

Budget Director Butts shared the updated numbers requested by the Board on the previous day.

The Board of Commissioners had a lengthy conversation about an assistance program for those burdened by taxes, Sheriff's deputy numbers, school funding and teacher supplements, non-profit funding, and the unrestricted fund policy.

The Board of Commissioners discussed a program for agriculture roll back taxes and farmland preservation.

The Board of Commissioners recessed for a break at 11:26am.

Butts reviewed the proposed changes with the Board of Commissioners and the consensus of the board was to move forward with the budget as discussed and changed.

ADJOURNMENT

A motion was made by Vice Chair Karen Howard, seconded by Commissioner Katie Kenlan, that the meeting be adjourned at 12:40pm. The motion carried by the following vote:

Aye: 5 - Chair Dasher, Vice Chair Howard, Commissioner Delaney, Commissioner Gomez Flores and Commissioner Kenlan