

**MINUTES OF THE SPECIAL MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS
BUDGET WORK SESSION
May 27-28, 2008 – 3:00 PM
J. NEWTON COHEN, SR. ROOM
J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING
130 WEST INNES STREET, SALISBURY, NC 28144**

Present: Arnold S. Chamberlain, Chairman
Chad Mitchell, Vice-Chairman
Jon Barber, Member
Tina Hall, Member
Jim Sides, Member

County Manager Gary Page, Clerk to the Board Carolyn Athey and Finance Director Leslie Heidrick were present.

Chairman Chamberlain convened the meeting at 3:00 pm.

Chairman Chamberlain provided the Invocation and also led the Pledge of Allegiance.

1. CHAIRMAN'S COMMENTS

Chairman Chamberlain discussed the requests from three (3) fire departments for a one-cent tax increase in their districts. Chairman Chamberlain said last year the fire departments had a tax increase due to revaluation. Chairman Chamberlain said it was also made clear last year that any fire department requesting a tax increase in future years would have to hold a public hearing in their fire district. Chairman Chamberlain said to date, no departments had held public hearings but two (2) departments had them scheduled in June.

Commissioner Sides said he planned to attend and speak at the public hearings at the fire departments in order to help the public better understand what was being asked. Commissioner Sides said Finance Director Leslie Heidrick had provided the Board with information regarding fiscal years 2007, 2008 and what was proposed for 2009. Commissioner Sides explained that the figures also showed how much additional revenue the fire districts gained due to increased

property values. Commissioner Sides said the figures did not include additional revenue received due to late collections. Commissioner Sides provided an example and explained that his concerns were based on the additional money being received without a 1-cent tax increase. Commissioner Sides said he was also concerned over the fire departments not receiving information from the City of Salisbury's tax department concerning property values and a possible reimbursement from the City.

Commissioner Sides pointed out that if the proposed 2009 rates were approved, Bostian Heights Fire Department would increase 51%, Franklin Fire Department would increase 52% and Locke Fire Department would increase 32% from 2007. Commissioner Sides stated that fire departments should not be in competition with each other and the County should consider a countywide fire tax where every department receives the same rate.

Commissioner Sides concluded by stating he was not in favor of a full one-cent tax increase, but said he may reconsider if the citizens in each district were in favor of the increase. Commissioner Sides said a better alternative might be a one-cent tax increase stretched over a three-year period.

Chairman Chamberlain commented that he and Commissioner Sides were in total agreement over the issue.

Commissioner Barber said he would like to attend the public hearings and that he felt a member of the Finance Department should also attend the hearings. Commissioner Barber said the Board should consider the process each fire department must follow and find out how this information could impact the fire department's request. Commissioner Barber said if the public supports the increases, he would support the increases as well.

Commissioner Mitchell said he would like to receive the public's input concerning the budget at the Board's public hearing on June 2, 2008 and that he would also like to hear the public's comments during the public hearings for the fire departments.

Commissioner Hall asked Ms. Heidrick if she agreed with the figures Commissioner Sides had presented and she responded yes. Commissioner Hall said she planned to attend the public hearings and she recommended each fire department use the term "tax increase" in order to gain the public's attention.

Chairman Chamberlain encouraged all Commissioners to attend the fire departments public hearings.

Chairman Chamberlain said individuals that speak at the fire departments public hearings should identify themselves and whether they were members of the department or citizens in the district.

2. REVIEW & DISCUSSION OF PROPOSED FY 2008-09 BUDGET

Chairman Chamberlain reviewed the format for the budget discussion and asked that each Commissioner provide comments and any suggested changes for the budget.

Commissioner Barber expressed appreciation for Finance Staff and said he supported the proposed budget. Commissioner Barber said the proposed budget for the General Fund kept the tax rate at 59.5 cents. Commissioner Barber proposed that there be no increase in Commissioners compensation.

Commissioner Barber stated support of the following priorities:

Public Safety

- Funding to Sheriff's Department for new staff positions
- Other proposed items by Interim County Manager
- Funding request from Rowan Rescue Squad
- Proposed recommendation for volunteer fire departments, unless the public hearings provided new information

Education

- Proposed funding to schools at State average
- Rowan Cabarrus Community College funding requests

Administration

- Full Cost of Living Adjustment (COLA) and Health Insurance for employees
- Department of Social Services (DSS) positions
- Parks System recommendations, specifically a farm life preservation display and facility improvements at Sloan Park

Commissioner Hall thanked Ms. Heidrick for her work on the budget. Commissioner Hall said the indicators all point to a big down turn in the economy. Commissioner Hall said Rowan County's tax base was off, sales tax collections were meager, investment earnings vastly decreased and lottery earnings were down. Commissioner Hall said Rowan County was facing a deficit of over \$2.5 million. Commissioner Hall said economic times were hard for a broad spectrum of citizens. Commissioner Hall said the times indicate that restraint is the prudent course of action because Rowan County must be prepared if the economy gets worse. Commissioner Hall asked the Board to remember the scout motto, "Be Prepared".

Commissioner Hall expressed concern for appropriating over \$8 million of Fund Balance to balance the budget. Commissioner Hall said she was concerned that the Board was borrowing from Rowan's future. Commissioner Hall said Ms. Heidrick had submitted "worthwhile budget objectives"; however, with the uncertainty of the economy, she would like Ms. Heidrick to find some areas to cut. Commissioner Hall said allocating over \$8 million from the Fund Balance

was too much. Commissioner Hall said one area to make cuts could be to the 4.1% COLA. Commissioner Hall explained that at the retreat the Board heard of the compression problems in employee retention. Commissioner Hall suggested reducing the COLA and creating longevity pay. Commissioner Hall asked Finance Staff to provide some possible figures.

Commissioner Hall said another area to make cuts could be in the Rowan Salisbury Schools (RSS) budget. Commissioner Hall said RSS was projecting over 100 fewer students but had requested a big increase in funding.

Commissioner Mitchell thanked Ms. Heidrick for her work on the budget and said she did a good job with taking the priorities from the retreat and compiling them into the budget. Commissioner Mitchell said Commissioner Hall did raise an interesting question about using \$8 million from Fund Balance. Commissioner Mitchell asked Ms. Heidrick if she would be able to breakdown how much of the \$8 million would be recurring and what was one time.

Ms. Heidrick explained that \$465,000 was restricted Fund Balance. Ms. Heidrick said \$1.6 million of the \$8 million was for a building at Rowan Cabarrus Community College (RCCC). Ms. Heidrick said several years ago Commissioners asked Finance to identify projects that could be paid from Fund Balance and the RCCC building was chosen. Ms. Heidrick said this year's budget had \$359,000 budgeted for the building.

Ms. Heidrick said historically the County had not spent 6% of the expenditures budgeted and revenues were 1% greater than budgeted. Ms. Heidrick said she thought there was "some cushion" in the budget and that revenues would exceed expenditures by the end of the year. Ms. Heidrick said if the economy would "tank" then she and the County Manager would propose changes throughout the year.

In response to Commissioner Mitchell, Ms. Heidrick replied that the County would at least break even with the \$1.6 million appropriated for RCCC out of Fund Balance. Ms. Heidrick said bond-rating agencies consider the available Fund Balance as a percentage of expenditures; therefore, you would like a little drop in Fund Balance to maintain the ratio.

Commissioner Mitchell said he was not comfortable spending the County into financial hardship but he felt \$6 million from Fund Balance was not that unreasonable.

Commissioner Mitchell said he was struck by the decrease in the continuation budget and asked Ms. Heidrick for an explanation. Ms. Heidrick said the decrease was due to the Medicaid relief from the State, and left the County with an estimated \$1.4 million.

Commissioner Mitchell said he was glad to see the following items in the expansion budget:

- State average funding for schools
- Health insurance relief with a \$626 increase per employee
- 4.1% COLA increase

Commissioner Mitchell said he supported the 4.1% COLA but could be swayed to decrease the COLA and implement a longevity plan if he saw some figures. Commissioner Mitchell said the employees were the ones that ran the County and he felt it was “right” to give 4.1% COLA to the employees.

Commissioner Mitchell said he thought the budget was good and he recognized the tax office for a great job in bringing in revenue.

Commissioner Mitchell concluded by saying that everything in the budget was for the benefit of the citizens and there was nothing to cut because it would not be beneficial. Commissioner Mitchell said the County was close to a completely waste-free budget.

Commissioner Sides applauded Ms. Heidrick for her efforts with the budget and for her cooperation in providing detailed information. Commissioner Sides said Ms. Heidrick had done the best job possible based on the priorities set by the Board at the retreat. Commissioner Sides added that the comments he was preparing to make would in no way reflect on the job of Ms. Heidrick.

Commissioner Sides read a prepared statement and urged the Board to use financial restraint with the budget. Commissioner Sides provided a handout and reviewed his recommendations for possible areas to cut in spending.

Commissioner Sides said if there was nothing cut from the budget he would vote against the budget because he believed there were items that should be instituted to balance the budget.

Chairman Chamberlain said he was in favor, or would consider, the following items:

- Appropriation for RSS at State average
- Employee 4.1% COLA (does not want to discuss longevity plan at this time)
- Requiring employees to pay \$25/month towards health insurance
- Eliminating funds for Piedmont Behavioral Healthcare (PBH), if allowed by General Statute

Commissioner Barber referred to the Chairman’s comment regarding elimination of funds to PBH. Commissioner Barber said North Carolina General Statute §122c-115d states: “Counties shall not reduce county appropriations and expenditures for current operations and ongoing programs and services of area

authorities or county programs because of the availability of State allocated funds, fees, capitalization amounts or fund balance to the area authority or county program". Commissioners Barber and Sides said they would like to seek a legal opinion on the matter from the County Attorney.

Chairman Chamberlain said he would not be interested in cutting funds from PBH if it meant cutting services.

Chairman Chamberlain said he also supported:

- Delaying construction of a new jail
- Entering discussions with RCCC to secure their own funding for security (noted County would pay for services if RCCC could not)
- Eliminating funding for Rowan Jobs Initiative
- Funding Economic Development Commission
- Cutting funds by \$10,000 to Rowan Museum

Chairman Chamberlain inquired on the parking lot project and Mr. Page explained a meeting had been planned for the next week to discuss the project. Chairman Chamberlain suggested that if the contract was not signed within 60 days, the County should pull out of the project and the Board agreed.

Ms. Heidrick discussed a request by the Sheriff to swap some positions in the budget in order to staff the new entrance to the jail.

Chairman Chamberlain said the Sheriff could come back asking for more money later to open the building if the Board did not allow the swap.

Commissioner Sides said he was in favor of the swap because the employees would be retired personnel that would not need full time pay and benefits.

Commissioner Mitchell said if the Board was adding four (4) positions and the Sheriff would be swapping some of them, he was okay with the request.

Chairman Chamberlain said he agreed with Commissioner Mitchell, but did not like the way the request had been made. Chairman Chamberlain said after this meeting, the Sheriff would know it would be up to him to fund the position.

Chairman Chamberlain referred to Ms. Heidrick's recommendation to continue funding for the Rescue Squad and he suggested tying the appropriation to the tax rate at .302 cents. Chairman Chamberlain said this would create a situation for the Rescue Squad that was similar to the fire departments.

Chairman Chamberlain summarized his list of priorities to be support of the schools at state average, funding RCCC with the exception of security, the 4.1% COLA for employees, consider health insurance payments by employees and full support of the budget at 59.5 cents.

Commissioner Hall re-emphasized her suggestion to cut spending from the budget now in order to prepare for worsening economic times. Commissioner Hall asked for Board consensus on requesting Finance Staff to provide options on reducing the COLA and creating a longevity plan.

Chairman Chamberlain called for a show of hands for an unofficial, non-binding straw vote for support of the 4.1% COLA. Commissioners Chamberlain and Barber raised their hands. Chairman Chamberlain asked who supported Commissioner Hall's suggestion to look at options on reducing COLA and creating a longevity plan and Commissioners Hall, Sides and Mitchell raised their hands.

Commissioner Barber asked if there could be an option that would begin to address the compression problem. Commissioner Barber expressed concern with employees paying for their health insurance.

Commissioner Sides said he had a small company with an employee who practically ran the business but the employee did not get a raise because the money was not available. Commissioner Sides said if that employee left, he would be the one to do the job. Commissioner Sides said he would like to keep the employees but sometimes "you have to face reality".

Chairman Chamberlain stated, "during recessionary times, you watch the bottom line but you don't stop spending, because that is what drives a recession". Chairman Chamberlain said the Board could implement the budget without affecting property taxes or the bond rating, and if things "turn sour" later, spending could be reduced at that time.

Commissioner Mitchell asked Commissioner Hall if she supported Commissioner Sides' recommendations. Commissioner Hall said she would like to see \$1 million cut from the budget and for Ms. Heidrick to provide feedback on COLA and longevity. Commissioner Hall said she would also like to see some funding cut from RSS.

Chairman Chamberlain called for an unofficial, non-binding straw vote on the following items suggested by Commissioner Sides:

- How many want to fund schools at state average?
For: Commissioners Chamberlain, Mitchell, and Barber
Against: Commissioners Sides and Hall
- How many want to look at charging employees a monthly fee towards health insurance?
For: Unanimous
- How many want to cut \$68,000 from PBH, if allowed?
For: Commissioners Chamberlain, Hall, Sides, and Mitchell
Against: Commissioner Barber

- How many are in favor of delaying the temporary jail until January?
For: Unanimous
- How many are in favor of not paying security unless RCCC cannot fund it?
Unanimous
- How many are in favor of continuing funding to Rowan Jobs Initiative?
For: Commissioners Barber, Mitchell, and Chamberlain
Against: Commissioners Sides and Hall
- How many would vote to cut funding back to \$10,000 for Rowan Museum?
For: Commissioners Chamberlain and Sides
Against: Commissioners Barber, Mitchell and Hall

Chairman Chamberlain posed the following questions for an unofficial, non-binding straw vote:

- How many in favor of funding the Rescue Squad at the current level tied to a tax rate of .302?
For: Unanimous
- How many are in favor of funding schools at state average?
For: Commissioners Chamberlain, Mitchell and Barber
Against: Commissioners Sides and Hall
- How many are in favor of allowing the Sheriff to “swap staff”?
For: Unanimous

Commissioner Sides requested more detailed information on the possibility of debt service for the RCCC building and Commissioners Barber and Chamberlain supported the request. Chairman Chamberlain instructed Ms. Heidrick to gather the information and report back to the Board.

Chairman Chamberlain asked if the Board would like to continue discussions during the time that had been scheduled on Wednesday May 28, 2008. The Board agreed to meet at 3:00 pm on Wednesday, May 28, 2008.

Commissioner Sides asked if the Board would consider a 1-cent reduction in taxes if the RCCC building could be put on debt service. Commissioners Chamberlain and Mitchell said they would not support the reduction.

Ms. Heidrick said dropping the tax rate this year would not cause the loss of lottery money this year and she confirmed Commissioner Mitchell’s statement that lowering the tax rate would have the same affect as having appropriated an additional million dollars in expenses.

Chairman Chamberlain said Ms. Heidrick had outlined the reasons he did not support lowering the tax rate.

Commissioner Sides said lowering the tax rate would not be any different than appropriating the \$1.6 million for the RCCC building.

Commissioner Mitchell said the difference would be continuing funding as opposed to a one-time expenditure.

Commissioner Barber expressed concern for future Boards, the impact on the bond rating and the ability to borrow money.

Ms. Heidrick explained the effects debt service would have on the bond rating.

Chairman Chamberlain asked for the record to reflect that two (2) of the four (4) candidates for the 2008 Commission race were present for the budget discussions. Those candidates were Commissioner Sides and Carl Ford.

Chairman Chamberlain recessed the meeting at 4:50 pm.

May 28, 2008
BUDGET WORK SESSION - continued

Chairman Chamberlain reconvened the meeting at 3:00 pm.

Chairman Chamberlain welcomed everyone and reviewed the instructions that had been given to Ms. Heidrick the previous day.

Piedmont Behavioral Healthcare (PBH) Funding

Ms. Heidrick said the Board had received an email from the County Attorney regarding a reduction in the amount allocated to PBH. Ms. Heidrick said there were two (2) issues to consider. Ms. Heidrick explained the first issue dealt with the language of the statute and the second issue related to Maintenance of Effort (MOE). Ms. Heidrick said her recommendation was to continue funding in the same amount based on the fact the County had appropriated that same amount for the last nine (9) years.

Chairman Chamberlain agreed with Ms. Heidrick to continue the funding for this year and to gather more information for next fiscal year.

Commissioner Barber said PBH was working on the development of an equity formula for all the counties in the service provider network.

Chairman Chamberlain said Commissioner Barber was the appointed representative for PBH and he asked Commissioner Barber to encourage PBH to take a closer look at the contributions from the counties.

Commissioner Sides asked for a breakdown of what and how funds were being spent and he asked for the issue to be discussed again at the public hearing scheduled for Monday June 2, 2008.

RCCC Security Funding

Ms. Heidrick said she and the County Manager, Gary Page, along with the Director of Administration, Ken Deal, and finance staff member Suzanne Burgess, had a meeting with Jerry Chandler of RCCC to discuss the option for RCCC to seek grant money for the security notification system and water main. Ms. Heidrick said RCCC had a grant committee whose purpose was to look for grants for the college. Ms. Heidrick reported that the committee would be glad to take any information from the Board and pursue grant funding.

Commissioner Sides said based on what he read from the Golden Leaf Foundation, RCCC was eligible for funding.

Chairman Chamberlain said he wanted to correct previous statements where he had thought money would be used by RCCC to hire a private firm for security.

Commissioner Sides suggested pulling the item from the budget and adding it later, if necessary. Ms. Heidrick confirmed a budget amendment could be done if needed.

Debt Service for RCCC Building

Ms. Heidrick said the County could budget \$558,000 this year and finance the remaining amount for the RCCC building. Ms. Heidrick said this would remove a little over \$1 million from this year's budget. Ms. Heidrick said financing the project meant the County would incur interest costs of \$550,000.

Ms. Heidrick said the County could borrow up to \$10 million in a calendar year and still be bank-qualified, which has tax exempt financing. Ms. Heidrick said the banks provided better rates with bank-qualified entities. Ms. Heidrick said the following projects were scheduled to be financed during calendar year 2008 for a total of \$9,332,000:

- Justice Center - \$3.8 million
- Department of Social Services building - \$5,532,000

Ms. Heidrick said she could add either the fiscal year 2009 vehicles or the AS400 request in this year. Ms. Heidrick said the following projects were scheduled for fiscal year 2009 for a total of \$8,700,000:

- Town Creek - \$3,250,000
- Vehicles - \$500,000
- AS400 - \$215,000
- Airport Hangar - \$750,000
- Temporary Jail - \$4,000,000

Ms. Heidrick said by adding the RCCC building, the County would go over the \$10 million mark for staying bank-qualified. Ms. Heidrick said the County could take that course, but the interest rates on all the other projects would increase about \$1 million over a 10-year period.

In response to Chairman Chamberlain, Ms. Heidrick was of the opinion that the County should do the project as currently budgeted and not incur the additional interest costs. Ms. Heidrick said financing would also throw off the timeline for faculty at RCCC.

In response to Commissioner Mitchell, Ms. Heidrick said the building would be financed over seven (7) years and would add a cost of \$550,000 for the building and an additional \$1 million in interest on other loans.

Commissioner Barber said it made more sense to keep the project as proposed versus incurring additional costs.

Chairman Chamberlain asked for Mr. Page's recommendation.

Mr. Page responded that being bank qualified made projects easier to finance. Mr. Page said not being bank qualified caused a longer process and higher interest rates and other fees. Mr. Page agreed with Ms. Heidrick's recommendation.

Chairman Chamberlain posed the following question for an unofficial, non-binding straw vote:

- Who supports "cashing out" the RCCC building?
For: Unanimous

Longevity Pay

Ms. Heidrick provided and reviewed a handout for two (2) options regarding COLA and longevity pay. Ms. Heidrick said the options were developed based on current benefited employees.

Chairman Chamberlain recalled the MAPS presentation from the retreat had stated that 60% or more of Rowan County employees had five (5) years of service or less.

Ms. Heidrick said with the current budget, if COLA was given at 2.5% and Option 1 was selected, the savings would be \$313,633. Ms. Heidrick said if COLA was given at 2.5% and Option 2 was selected, the savings would be \$156,033.

Commissioner Sides said COLA would add \$1.2 million to the payroll as well as add benefits of 15% that were not included in the figures. Commissioner Sides said using the money for longevity or compression would lower the cost of service and reward employees for their length of service. Commissioner Sides said the COLA would create a bigger gap between employees.

Commissioner Mitchell said he would support a plan that addressed compression, but was concerned that not giving the 4.1% would create a bigger problem.

In response to Commissioner Sides, Ms. Heidrick said Human Resources Staff estimated it would cost approximately \$750,000 per year over several years to address the compression issue. Ms. Heidrick said the County had addressed bringing salaries up to market value in the mid 1990's and over \$1.2 million had been spent over a four-year period.

Commissioner Sides said taking the total for COLA, applying the \$750,000 this year to address compression and using the balance to give a percentage for COLA would affect more people positively.

Commissioner Mitchell said in theory he agreed with Commissioner Sides, but that he had not seen a plan to demonstrate the \$750,000 would be of help. Commissioner Mitchell expressed concern with allocating funds for a plan he had not seen.

Commissioner Hall said the 4.1% COLA was a recurring expense that would make it harder in future years to address compression. Commissioner Hall said at the retreat, one option was to reduce COLA to 2.5% and add a longevity plan.

Commissioner Mitchell said he supported the 4.1% COLA until he had been presented with a plan to support otherwise.

Commissioner Barber said the Board considered employee salaries a priority at the retreat. Commissioner Barber said not funding the 4.1% would mean asking the employees to do the same job for less money. Commissioner Barber said the Board would also need to consider the discussion about health insurance.

Chairman Chamberlain said he supported the 4.1% COLA and was willing to tap Fund Balance for \$500,000 to address the compression issue. Chairman Chamberlain said he was not making a motion to pull \$500,000 from Fund Balance but he felt strongly about giving the employees the COLA.

Commissioner Hall said economic times were not good and were projected to get worse.

Chairman Chamberlain posed the following question for an unofficial, non-binding straw vote:

- How many want to cut COLA and choose either Option 1 or Option 2 for this year?

For: Commissioners Sides and Hall

Against: Commissioners Chamberlain, Mitchell, and Barber

Employee Health Insurance

Ms. Heidrick said if employees paid \$25/month or \$300/year, it would make up \$250,000.

Commissioner Barber questioned the importance of the County providing health insurance in order to remain competitive in recruitment and retention. Ken Deal, Director of Administration, responded from the audience that providing the insurance was critical.

Commissioner Mitchell asked how the net benefit of requiring \$25/month for insurance would be different for those on the bottom of the pay scale versus the top of scale. Ms. Heidrick responded that an employee who made \$25,000/year with a 4.1% COLA and paying \$25/month for health insurance would essentially receive a 2.9% raise; however, an individual making \$80,000 would receive a 3.6% increase.

Commissioner Mitchell said it would be particularly hard for employees on the lower end of the pay scale. Commissioner Mitchell said he was not sure how to fix the problem or when the right time would be to ask employees to contribute to their health insurance. Commissioner Mitchell said he would prefer to see the health insurance, compression problem and longevity issue addressed in a comprehensive plan.

Chairman Chamberlain agreed with Commissioner Mitchell.

Commissioner Sides said he did not want employees to have to pay for insurance but it had become necessary and now was the time. Commissioner Sides said \$25 was a minimal contribution compared to other insurance plans.

In response to Chairman Chamberlain, Ms. Heidrick responded that she believed it would be possible to not charge employees for health insurance and to allow staff to work on a comprehensive plan for next year. Ms. Heidrick said if the County did not spend 6% of the budget and did not spend money on the RCCC building, there would be a cushion of \$1.8 million. Ms. Heidrick said if revenues came in about 1% over, the cushion would be \$2.5 million.

Commissioner Hall referred to the economic forecast and urged the Board to adjust the budget now versus half way through the year.

Chairman Chamberlain posed the following question for an unofficial, non-binding straw vote:

- How many are in favor of charging the employees \$25/month for health insurance?
For: Commissioners Hall and Sides
Against: Commissioners Chamberlain, Mitchell and Barber

Commissioner Barber asked if the Board would like to address his previous suggestion that Commissioners do not receive the COLA increase.

Chairman Chamberlain posed the following question for an unofficial, non-binding straw vote:

- How many are in favor of Commissioners receiving the COLA increase?
For: None
Against: Unanimous

Commissioner Sides said he was bothered that very little had been cut from the budget when the County was going to be facing a required \$14 million for mandated requests. Commissioner Sides said it would be nice to have part of the money ahead of time.

Commissioner Hall referred to Rowan Jobs Initiatives (RJI) and inquired about specific agencies that RJI had been making payments to. Commissioner Barber responded that The Lyerly Group was based out of Charlotte and Commissioner Mitchell added that LGA had been used in the past.

Commissioner Hall asked if anyone who worked for those agencies lived in Rowan County or served on the RJI Board of Directors. Commissioners Barber and Chamberlain replied they were not sure and Ms. Heidrick responded she was unsure as well.

Commissioner Hall asked about the request for RSSS district initiatives and what the funds were requested for. Ms. Heidrick responded she could find out what the district initiatives were.

Commissioner Mitchell said he thought one (1) program that started put technology in 40 classrooms, which could have been a district initiative.

Ms. Heidrick said generally the County gives money to RSSS and does not require RSSS to specify how the funds were spent. Ms. Heidrick said she could find out how the money was spent last year.

Chairman Chamberlain suggested the Board not vote on the budget until after the public hearing on June 2, 2008. Chairman Chamberlain said the Board's intention after the meeting would be to direct staff on the ordinances needed for the June 16, 2008 meeting.

Chairman Chamberlain commented that this would be his last budget work session as a County Commissioner and he thanked Ms. Heidrick for her work. Chairman Chamberlain also thanked Commissioners Hall, Sides, Mitchell, and Barber for their hard work, as well as Carolyn Athey, Clerk to the Board and Laura Moore, Administrative Secretary. Chairman Chamberlain thanked the Board for making the budget process "almost enjoyable".

3. ADJOURNMENT

There being no further business to come before the Board, Commissioner Barber moved to adjourn at 4:50 pm. The motion was seconded by Commissioner Mitchell and passed unanimously.

Respectfully Submitted,

Carolyn Athey
Clerk to the Board