

APPROVED 6/2/2020

**MINUTES  
BOARD OF COMMISSIONERS  
VIRTUAL BUDGET PUBLIC HEARING  
May 12, 2020  
7:00 p.m.**

The Orange County Board of Commissioners met for a Virtual Budget Public Hearing Meeting on Tuesday, May 12, 2020 at 7:00 p.m.

**COUNTY COMMISSIONERS PRESENT:** Chair Rich and Commissioners Jamezetta Bedford, Mark Dorosin, Sally Greene, Mark Marcoplos, and Renee Price

**COUNTY COMMISSIONERS ABSENT:** Commissioner McKee

**COUNTY ATTORNEYS PRESENT:** John Roberts

**COUNTY STAFF PRESENT:** County Manager Bonnie Hammersley, Deputy County Manager Travis Myren and Clerk to the Board Donna Baker (All other staff members will be identified appropriately below)

Chair Rich called the meeting to order at 7:00 p.m.

Due to current public health concerns, the Board of Commissioners conducted a Virtual Budget Public Hearing on Tuesday, May 12, 2020. Members of the Board of Commissioners participated in the meeting remotely. Members of the public were able to view and listen to the meeting via live streaming video at <http://www.orangecountync.gov/967/Meeting-Videos> and on Orange County Gov-TV on channels 1301 or 97.6 (Spectrum Cable).

In this new virtual process, there are two methods for public comment.

- Written submittals by email
- Speaking during the virtual meeting

**1. Opening Remarks**

**PUBLIC CHARGE**

The Chair acknowledged the public charge.

**2. Presentation of County Manager's Recommended FY 20-21 Budget**

Bonnie Hammersley made the following PowerPoint presentation:

**FY2020-21**

**COUNTY MANAGER RECOMMENDED BUDGET**

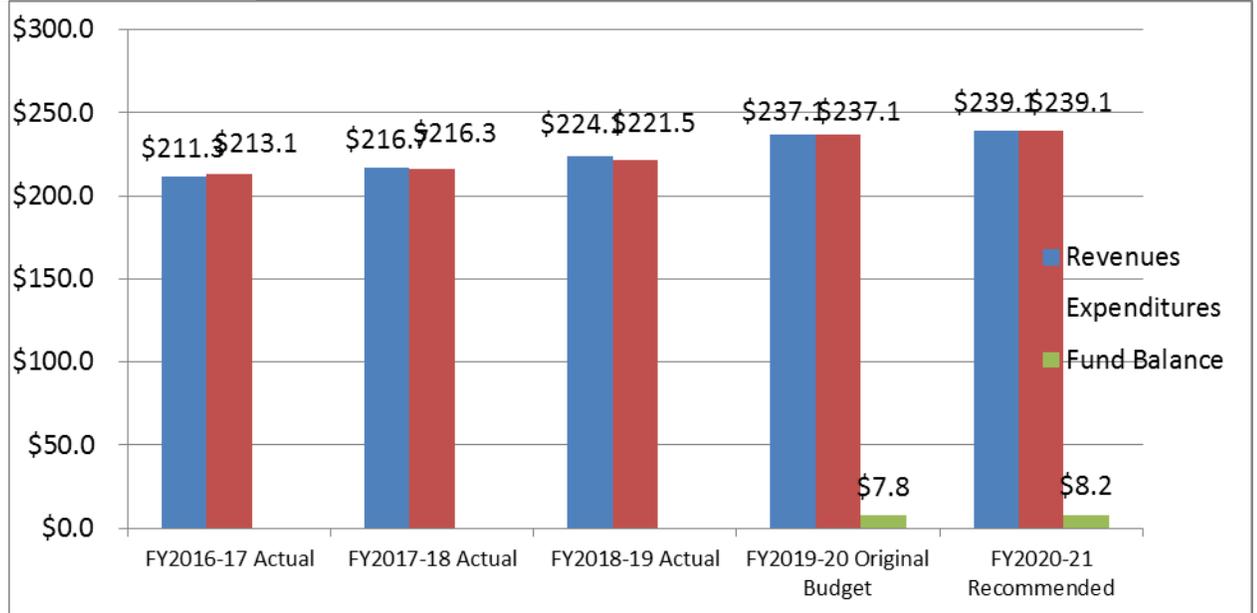
**May 5, 2020**

**BUDGET PRIORITIES**

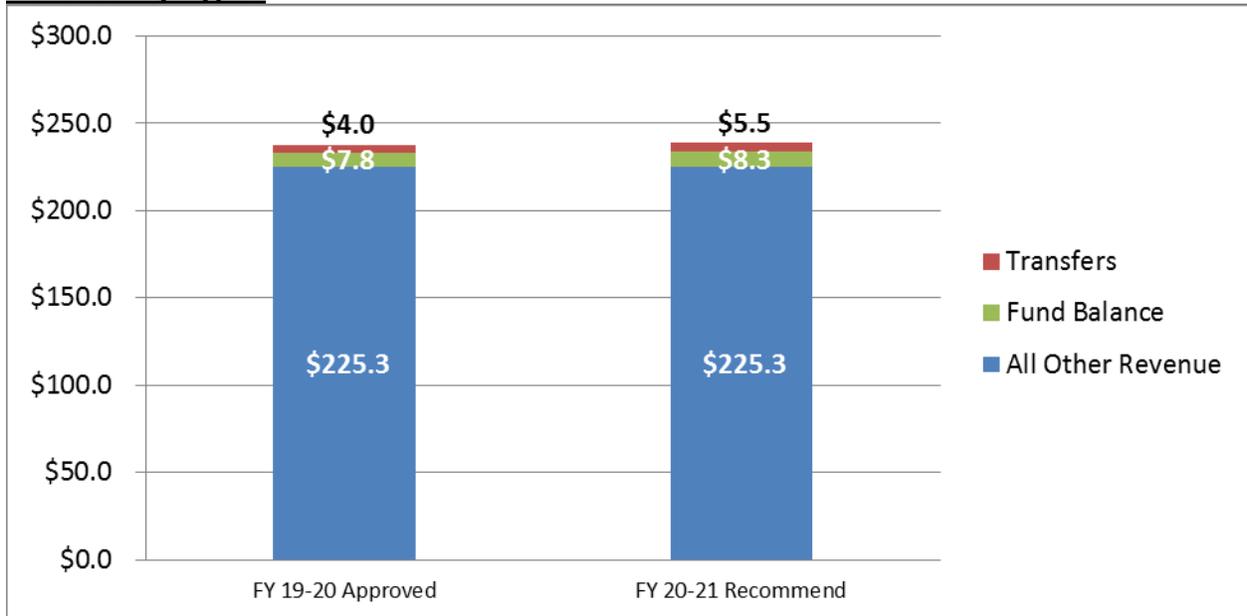
- Pay Debt Service
- Maintain current services/workforce
- CHCCS and Orange County School Funding
- Honor contract Obligations

- ❑ Maintain general fund Reserve Level
  - Property Tax Growth: 2.0% = \$2,460,550
  - Sales Tax Growth: -10.0% = -\$2,814,151
  - Tax Rate: \$0.8679
  - General Fund Reserve: 16% = \$35.6 million

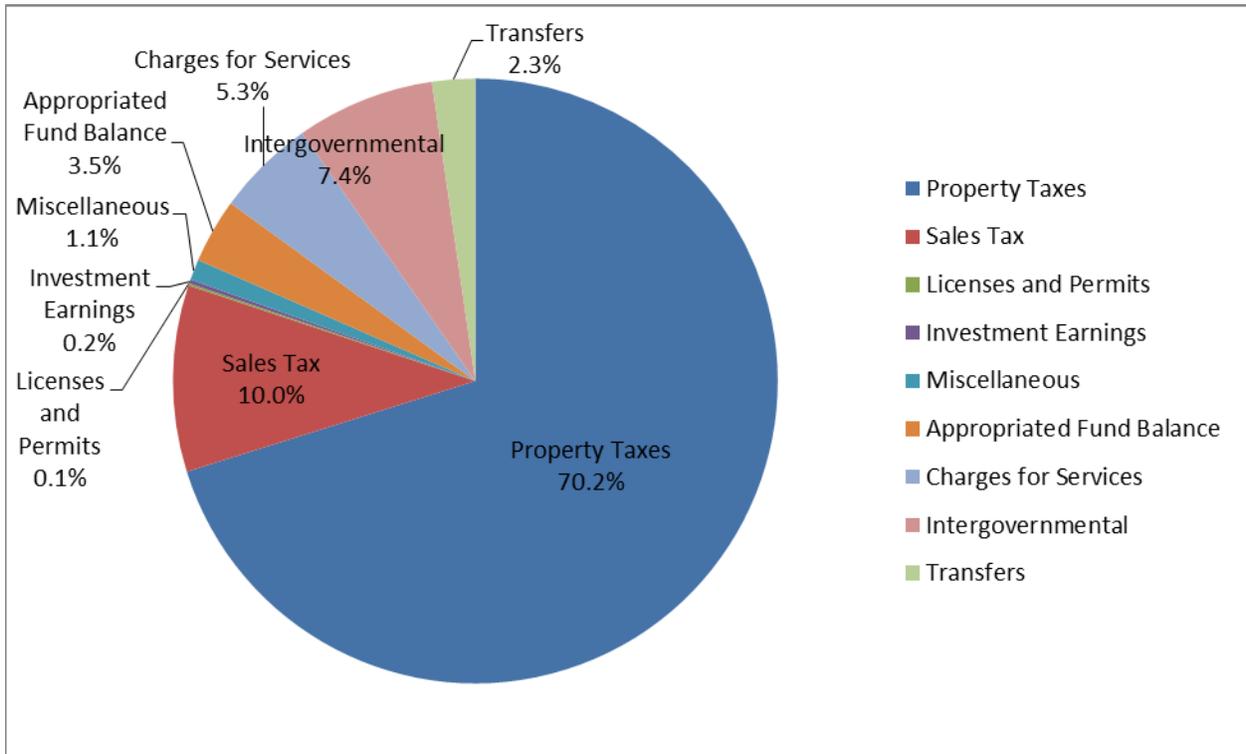
**Revenues and Expenditures**



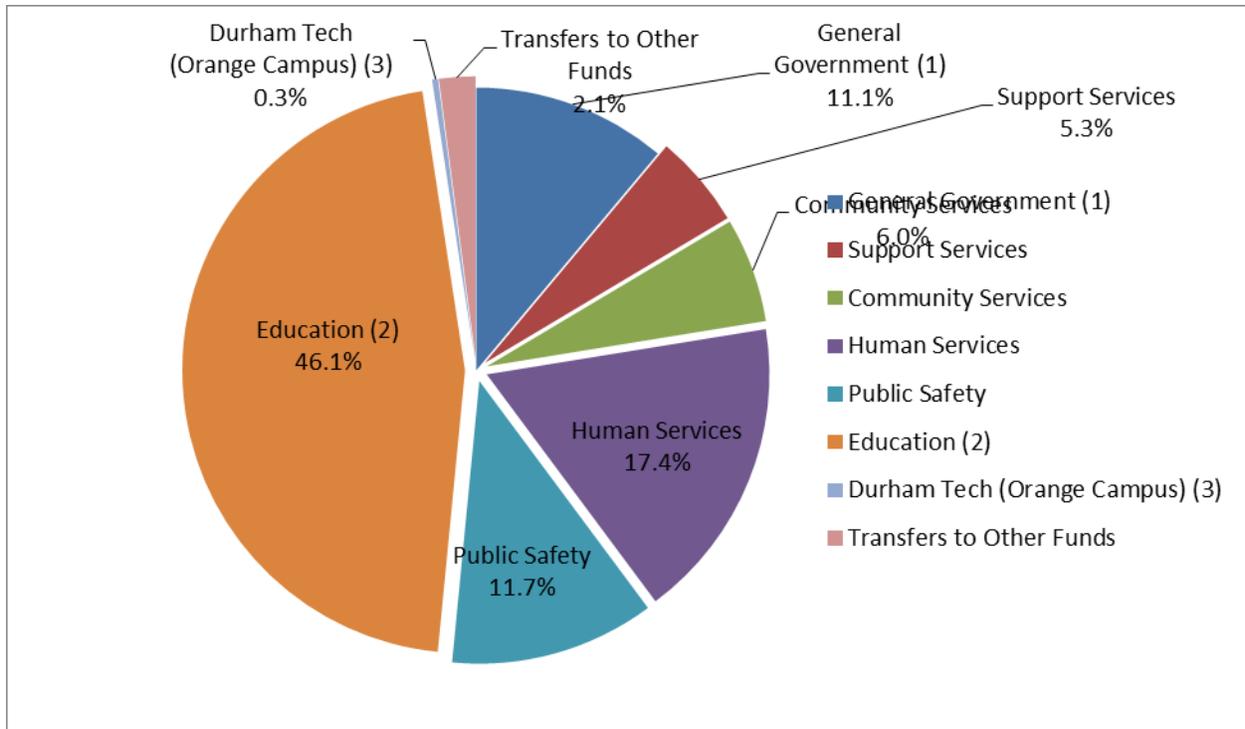
**Revenue By Types**



**BUDGET REVNUES**



**BUDGETED EXPENDITURES**



### ASSUMPTIONS

- ❑ Property Tax Growth: 2.0% = \$2,460,550
- ❑ Sales Tax Growth: -10.0% = -\$2,814,151
- ❑ Tax Rate: \$0.8679
- ❑ General Fund Reserve: 16% = \$35.6 million

### EDUCATION

Chapel Hill Carrboro City Schools (CHCCS)  
Orange County Schools (OCS)

#### Average Daily Membership (ADM)

	CHCCS	OCS	TOTAL
Students (under roof)	12,312	7,381	19,693
Out of District	(251)	(110)	(361)
Charter Students	166	885	1,051
<b>Total</b>	<b>12,227</b>	<b>8,156</b>	<b>20,383</b>

<b>%ADM</b>	<b>59.99%</b>	<b>40.01%</b>	<b>100%</b>
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<b>CHCCS - OPERATIONS</b>	<b>Request</b>	<b>Recommended</b>	<b>Recommended Increase</b>
<b>Allocation</b>	<b>61.19%</b>	<b>59.99%</b>	<b>-.15%</b>
<b>Current Expense</b>	<b>\$58,778,923</b>	<b>\$52,561,838</b>	<b>-\$122,150</b>
<b>Charter Students</b>	<b>\$805,595</b>	<b>\$723,428</b>	<b>-\$12,102</b>
<b>Health &amp; Safety Contracts</b>	<b>\$2,108,796</b>	<b>\$2,108,796</b>	<b>\$0</b>
<b>Total</b>	<b>\$61,693,314</b>	<b>\$55,394,062</b>	<b>-\$134,252</b>
<b>Per Pupil</b>	<b>\$4,853</b>	<b>\$4,358</b>	<b>\$5.75</b>

<b>OCS - OPERATIONS</b>	<b>Requested</b>	<b>Recommended</b>	<b>Recommended Increase</b>
<b>Allocation</b>	<b>38.81%</b>	<b>40.01%</b>	<b>.15%</b>
<b>Current Expense</b>	<b>\$33,663,526</b>	<b>\$31,687,018</b>	<b>-\$45,237</b>
<b>Charter Students</b>	<b>\$4,135,826</b>	<b>\$3,856,830</b>	<b>\$187,883</b>
<b>Health &amp; Safety Contracts</b>	<b>\$1,520,801</b>	<b>\$1,520,801</b>	<b>\$0</b>
<b>Staff Bonuses</b>	<b>\$1,027,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Total</b>	<b>\$40,347,153</b>	<b>\$36,864,649</b>	<b>\$142,646</b>
<b>Per Pupil</b>	<b>\$4,673</b>	<b>\$4,358</b>	<b>\$5.75</b>

**ADD**

<b>CHCCS - CAPITAL</b>	<b>Requested Increase</b>	<b>Recommended Increase</b>	<b>Recommended Appropriation</b>
<b>Recurring Capital</b>	<b>(\$4,500)</b>	<b>(\$4,500)</b>	<b>\$1,799,700</b>
<b>Long Range Capital</b>	<b>\$42,120</b>	<b>\$42,120</b>	<b>\$2,455,016</b>
<b>Deferred Maintenance Plan</b>	<b>(\$4,500)</b>	<b>(\$4,500)</b>	<b>\$1,799,700</b>
<b>Supplemental Deferred Maintenance Plan</b>	<b>\$2,481,258</b>	<b>\$2,481,258</b>	<b>\$2,481,258</b>
<b>Total</b>	<b>\$2,514,378</b>	<b>\$2,514,378</b>	<b>\$8,535,674</b>

DCS - CAPITAL	Requested Increase	Recommended Increase	Recommended Appropriation
Recurring Capital	\$4,500	\$4,500	\$1,200,300
Long Range Capital	\$38,123	\$38,123	\$1,637,359
Deferred Maintenance Plan	\$4,500	\$4,500	\$1,200,300
Supplemental Deferred Maintenance Plan	\$4,150,000	\$4,150,000	\$4,150,000
<b>Total</b>	<b>\$4,197,123</b>	<b>\$4,197,123</b>	<b>\$8,187,959</b>

YEAR	County Appropriation		% of General Fund Revenue
	Per Pupil	\$ Increase	
<b>FY2016-17</b>	\$3,868	\$170.50	50.6%
<b>FY2017-18</b>	\$3,991	\$123	49.7%
<b>FY2018-19</b>	\$4,165	\$174	50.1%
FY2019-20	\$4,352.25	\$187.25	49.5%
<b>FY2020-21</b>	<b>\$4,358</b>	<b>\$5.75</b>	<b>49.4%</b>

### DURHAM TECHNICAL COMMUNITY COLLEGE

Current Expense

\$723,256

Durham Tech Promise*	\$200,000
Capital Outlay	\$75,000

\* Funded by Article 46 Sales Tax

### OUTSIDE AGENCIES

- Base Budget (FY2019-20) with the following exceptions that received increased funding:
- ✓ Compass Center for Women and Families: \$12,751
  - ✓ Interfaith Council: \$69,937
  - ✓ Meals on Wheels Chapel Hill: \$27,488
  - ✓ OCIM: \$13,965
  - ✓ Pathways to Change: \$4,351  
(new Domestic Violence program for Orange County)
- ✓ **\$1,541,974 is consistent with the target established by the BOCC to allocate 1.2% of general fund expenses, not including education, to outside agencies.**

### FIRE DISTRICTS

FIRE DISTRICT	CURRENT TAX RATE	REQUESTED TAX RATE INCREASE	RECOMMENDED TAX RATE
Cedar Grove	\$0.0810	\$0.00	\$0.0810
Chapel Hill	\$0.1491	\$0.00	\$0.1491
Damascus	\$0.1080	\$0.00	\$0.1080
Efland	\$0.0678	\$0.00	\$0.0678
Eno	\$0.0968	\$0.00	\$0.0968
Little River	\$0.0592	\$0.00	\$0.0592
New Hope	\$0.0994	\$0.073	\$0.1067
Orange Grove	\$0.0681	\$0.00	\$0.0681
Orange Rural	\$0.0915	\$0.033	\$0.0948
South Orange	\$0.0968	\$0.00	\$0.0968
Southern Triangle	\$0.1080	\$0.00	\$0.1080

White Cross	\$0.1237	\$0.00	\$0.1237
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### **BUDGET STRATEGIES**

#### **EXPENDITURE REDUCTION STRATEGIES:**

- No Wage or Salary Increase for County Employees – (\$1,600,000)
- Extend Hiring Freeze through FY20-21 – (\$1,000,000)
- Eliminate Travel and Training funds – (\$500,000)

#### **SHORT-TERM EMERGENCY MEASURES:**

- Transfer from Capital Reserves - \$1,000,000
- Transfer from Article 46 Sales Tax County Reserves - \$525,000
- Transfer from Health & Dental Insurance Reserves - \$475,000
- Transfer from Solid Waste Reserves - \$475,000

### **FUNCTIONAL LEADERSHIP TEAMS**

- COMMUNITY SERVICES**
  - ✓ Maintain Solid Waste Program Fee at \$142 per year
- HUMAN SERVICES**
  - ✓ 3.625 FTE – Partnership to End Homelessness
    - HUD Revenue & Reallocations
  - ✓ \$25,600 Recurring Capital
    - Partially Offset by Revenue
- PUBLIC SAFETY**
  - ✓ Recurring Capital - \$205,000 (Transfer from Health & Dental Fund Reserve)

### **BUDGET TIMELINE**

BUDGET TIMELINE	DATE
Recommended Budget Presentation	May 5
BUDGET PUBLIC HEARINGS	DATE
Budget and Capital Investment Plan (CIP)	May 12 & June 4
BUDGET WORK SESSION SCHEDULE	DATE
Schools and Outside Agencies	May 14
Fire District, Public Safety, Support Services and General Government	May 21

Human Services and Community Services	May 28
Budget Amendments and Resolution of Intent to Adopt	June 9
<b>BOCC REGULAR MEETING</b>	<b>DATE</b>
FY2020-21 Operating and CIP Budget Adoption	June 16

### **Budget Document Availability**

- Clerk to Board of Commissioners
- County Finance & Administrative Services Office
- Orange County Website - <http://orangecountync.gov>

### **Public Comment**

Sherry Appel, Chair, Orange County Historical Museum in Hillsborough, said the re-opening of the County is critical in bringing more tourism into the area, and she supported the request of the County Manager because they have a lot of things they are planning to do, and they want to try and do more under this grant funding.

Cordelia Heaney, Executive Director Compass Center for Women and Families, read the following comments:

Our focus is on empowering individuals and promoting equal access to opportunity, regardless of gender or economic status. Our services include career and financial education, domestic violence crisis and prevention programs, assistance with legal resources, and youth health programs.

Our self-sufficiency programs offer help with career and financial education as well as access to legal resources. Our empowerment programs offer health-related education for middle school students, including bullying and dating violence prevention. We also offer comprehensive services to adults and children who are experiencing emotional, physical or sexual abuse in their personal relationships. On the crisis side, they provide domestic violence counseling.

The support we receive from the Orange County helps us to leverage other funds such as mental health services, and there is a potential decrease of 30% from their state funding in their services across the state this next fiscal year. They are considered an essential service provider and they do rely on this funding from Orange County.

Riley Ruske spoke, but did not have enough time, and thus submitted his full written comments below:

Orange County Government Officials:

It is impossible to address a 500-page budget effectively in only 3 minutes so I was unable to complete my comments tonight. Therefore, I am providing the text of my planned comments below. It is my fervent hope that someone in the Orange County budget process will seriously consider the impact of having the highest property and sales tax in the state on our citizens and

work to reduce spending and borrowing, especially on failed and potentially illegal activities. Here is the text:

BOCC Public Hearing  
2020 -2021 Budget Proposal  
May 12, 2020  
Public Comment

Orange County has the highest property and sales tax rates in the state. The 2020 – 2021 operating budget proposal is not an austerity budget – at \$273.6 million it continues to increase spending resulting in a two year increase of \$15.0 million dollars. An austerity budget would at the very least return spending to the 2018 – 2019 budget level of \$ 258.6 million. This budget proposal is just more of the same increased spending with some window dressing like the elimination of employee performance bonuses to make it look like some austerity measures are being taken. These comments do not even get into the discussion of the capital budget and borrowings that present great future risk for taxpayers.

One positive change would be to institute an immediate five year freeze on any spending on light rail and transit programs. After the massive waste of over \$150 million dollars by Orange County government and GoTriangle there is clearly a need to stop these failing programs. This action should be followed by ending the County association with GoTriangle for more savings for the taxpayers of Orange County. This should also lead to the elimination of the Article 43 Sales Tax adders.

Another change would be to immediately and permanently cease all funding of programs, persons, entities and organizations that shield and shelter or aid and abet the massive foreign criminal enterprise of illegal immigration. Orange County government departments should be reduced to reflect this change to further reduce cost. Providing tax funds for illegal immigration quite possibly is illegal under federal and state laws and should never have occurred in the first place.

Also, the funds allocated to outside agencies should be cut rather than increased. Charity is the responsibility of private citizens and organizations, not government. The budget of \$ 1.54 million dollars should, at the very least, be reduced to one half million dollars. The current approach of making this a percentage of budget only guarantees increased cost every year with no specifically identified need.

No where in any of these budget proposals is there any identification of cost reductions through productivity improvements or the many expensive investments in technology. Costs should be going down from the benefit of these actions.

All cost reduction actions should be used to reduce the sales and property tax rates—not to increase government bloat.

While there are many other areas of potential reduction such as cancelling the recent half million dollar transit study and the half million dollar unnecessary climate tax spending, there is not enough time allocated for detailed review and analysis by private citizens to point out all these opportunities. Someone in county government needs to start advocating for the taxpayers and the thousands of citizens and businesses that have been financially damaged by the Wuhan virus crisis and the bloated Orange County government.

Stop gouging our citizen taxpayers -- cut the spending and borrowing!!!!

Kimberly Sanchez, Executive Director, Community Home Trust (CHT), said she is so appreciative and grateful for the Board of County Commissioners' (BOCC) support, and the proposed budget that does include funding for the CHT. She said during Covid-19, CHT is still selling homes. She said CHT has 270 homes in its inventory, and average family income of CHT homebuyers' is \$40,000. She said they are also in the rental market as well, and she reviewed some of the entities that CHT manages. She said CHT is looking for additional land to be donated for future development.

Kevin Giff, Community Development Manager for Habitat for Humanity of Orange County, thanked the Orange County Board of Commissioners for supporting its affordable housing efforts, and its new ownership and preservation programs. He said Habitat has been fortunate to be able to continue business during the pandemic. He reviewed Habitat's home preservation program. He said over half of the owners are over age 65, and the average homeowner income is \$20,000. He said Orange County's funding enables Habitat to support these homeowners to age in place.

Donna Baker, Clerk to the Board, read the following public comment via email from Kari Hamel of Chapel Hill:

Dear Board of County Commissioners,

Thank you to the Commissioners and to the county staff for your efforts during this pandemic. Your accessibility - particularly in responding to questions, concerns, and suggestions - is noted and appreciated.

My reasons for writing are two-fold: I am grateful to the current and former Commissioners for your longtime support and encouragement toward all of the wonderful children in our community through your generous funding of public education. This commitment continues to be critical today as an increasing number of households (many with children) are reduced to one or zero income sources due to this public health crisis.

I encourage you to continue to be forward thinking about generously allocating school-related funds now as well as to lay the necessary foundation for future years. Certainly, continuing conversations to ensure all CHCCS custodian are in-house so that they (and their loved ones) realize the prosperity that comes from receiving a living wage and benefits from their public employer has my full support.

Secondly, it is out of this same appreciation which I raise my good faith concerns that local school funding provided by the county has been and remains *susceptible to unethical behavior and misuse* as the county's oversight and governance structures may be vulnerable to exploitation. The seeming design to utilize local funding on at least one problematic contract in CHCCS known about by the public is just one example.

Perhaps, of some relevance, a county commissioner from another jurisdiction recently referenced the obligation of the elected board to promote orderly and efficient administration of county affairs.\*

To that same end, here in Orange County, what specific ideas do the Commissioners have to promote the efficient administration of county affairs **by ensuring that the generous local dollars you allot to the schools are reaching the children and the professional human**

**workforce, as well as by lowering the risks that funds are unethically accessed, wasted, and/or misused?**

Potential subjects of consideration:

- Consider creating an inspector general or internal auditor role within the county with responsibilities related to school-related funds;
- Consider forming an audit committee with similar functions as adopted in another North Carolina county in response to fiscal abuses;\*\* and/or,
- Consider seeking for the school districts to create their own respective annual audit plans and report on them quarterly to your body.
- Other ideas?

Thank you for considering my questions and remarks.

Regards, Kari Hamel  
6718 Creek Wood Drive.  
[Chapel Hill, NC 27514](#)

Commissioner Dorosin said he is looking to propose amendments to the CIP, and wanted clarification that any amendments, which may result in cost savings in the CIP, cannot be transferred as savings in the operating budget. He asked if this is correct.

Bonnie Hammersley answered yes.

Bonnie Hammersley said any amendments that come in would be published on the website.

#### **4. Adjournment**

A motion was made by Commissioner Dorosin, seconded by Commissioner Marcoplos to adjourn the meeting at 7:40 p.m.

**VOTE: UNANIMOUS**

Penny Rich, Chair

Donna S. Baker  
Clerk to the Board