

**APPROVED 6/4/2019**

**MINUTES  
BOARD OF COMMISSIONERS  
BUDGET PUBLIC HEARING  
May 16, 2019  
7:00 p.m.**

The Orange County Board of Commissioners met for a work session on Thursday, May 16, 2019 at 7:00 p.m. at the Southern Human Services Center in Chapel Hill, N.C.

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

**COUNTY COMMISSIONERS ABSENT:** None

**COUNTY ATTORNEYS PRESENT:** None

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

Chair Rich called the meeting to order at 7:07 p.m.

**1. Opening Remarks**

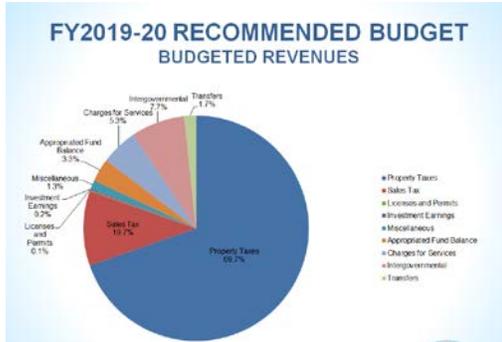
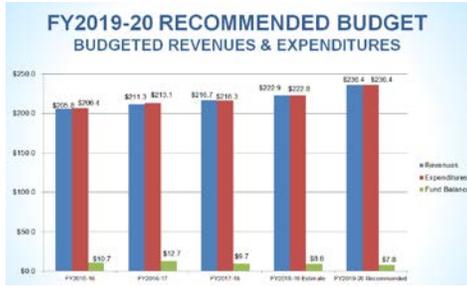
Chair Rich acknowledged the public charge.

Chair Rich said that page 407 of the document has been updated and the Commissioners have a copy at their places. The budget document will be corrected online.

**2. Presentation of County Manager’s Recommended FY 2019-20 Budget**

Bonnie Hammersley made the following PowerPoint presentation:





### FY2019-20 RECOMMENDED BUDGET ANNUAL DEBT SERVICE

Fiscal Year	Schools	%	County	%	Total
FY2019	\$17,625,421	59%	\$12,322,820	41%	\$29,948,241
FY2020	\$17,770,542	58%	\$12,983,886	42%	\$30,754,429
FY2021	\$18,898,595	56%	\$15,027,079	44%	\$33,925,674
FY2022	\$24,366,544	55%	\$20,044,437	45%	\$44,410,981
FY2023	\$22,728,883	53%	\$20,550,127	47%	\$43,279,010
FY2024	\$22,285,542	53%	\$19,405,097	47%	\$41,690,639
FY2025	\$20,240,743	52%	\$18,527,796	48%	\$38,768,539

Note: Based on Recommended FY 2019-24 Capital Investment Plan

## FY2019-20 RECOMMENDED BUDGET

Tax Rate Increase \$0.0150 to \$0.8654

YEAR	TAX RATE			Total Tax Rate Increase	Status
	Debt Service (Incremental)	Debt Service (Upfront)	Operating		
FY2018-19	0.0127	0.0127		0.0127	Adopted
FY2019-20	0.0060		0.0090	0.0150	Recommend
FY2019-20	0.0000	0.0490	0.0090	0.0580	Option
FY2020-21	0.0184				Projected
FY2021-22	0.0532				Projected
Total	0.0813	0.0617			

\$0.01 on county tax rate = \$1,877,087  
\$0.0150 on county tax rate = \$2,815,630

## FY2019-20 RECOMMENDED BUDGET

\$0.0150 Tax Rate Increase Impact

Property Value	FY2018-19 Tax Rate (\$0.8504)	FY2019-20 Tax Rate (\$0.8654)	Increase
\$100,000	\$850.40	\$865.40	\$15.00
\$200,000	\$1,700.80	\$1,730.80	\$30.00
\$300,000	\$2,551.20	\$2,596.20	\$45.00
\$400,000	\$3,401.60	\$3,461.60	\$60.00
\$500,000	\$4,252.00	\$4,327.00	\$75.00

## FY2019-20 RECOMMENDED BUDGET

\$0.0580 Tax Rate Increase Impact (Option with Upfront Tax Rate of 0.0490 cents for Debt Service and 0.0090 for Operations in FY2019-20)

Property Value	FY2018-19 Tax Rate (\$0.8504)	FY2019-20 Tax Rate (\$0.9084)	Increase
\$100,000	\$850.40	\$908.40	\$58.00
\$200,000	\$1,700.80	\$1,816.80	\$116.00
\$300,000	\$2,551.20	\$2,725.20	\$174.00
\$400,000	\$3,401.60	\$3,633.60	\$232.00
\$500,000	\$4,252.00	\$4,542.00	\$290.00

## FY2019-20 RECOMMENDED BUDGET EDUCATION

Chapel Hill Carrboro City Schools (CHCCS)			
Orange County Schools (OCS)			
Average Daily Membership (ADM)			
	CHCCS	OCS	TOTAL
Students (under roof)	12,355	7,388	19,743
Out of District	(250)	(97)	(347)
Charter Students	169	843	1,012
Total	12,274	8,134	20,408
%ADM	60.14%	39.86%	100%

### FY2019-20 RECOMMENDED BUDGET EDUCATION

CHCCS - OPERATIONS	Requested	Recommended	Recommended Increase
Allocation	61.28%	60.14%	-0.59%
Current Expense	\$56,290,377	\$52,535,700	\$1,589,420
Charter Students	\$832,350	\$733,460	\$97,885
Health & Safety Contracts	\$2,067,447	\$2,108,796	\$41,349
Total	\$59,190,174	\$55,377,856	\$1,718,654
Per Pupil	\$4,650	\$4,340	\$175

OCS - OPERATIONS	Requested	Recommended	Recommended Increase
Allocation	38.72%	39.86%	0.59%
Current Expense	\$32,353,698	\$31,642,940	\$1,453,010
Charter Students	\$3,741,234	\$3,658,620	\$482,735
Health & Safety Contracts	\$1,490,981	\$1,520,801	\$29,820
Total	\$37,585,913	\$36,822,361	\$1,965,595
Per Pupil	\$4,387	\$4,340	\$175

Note: \$260,000 will also be allocated to Schools for Equity Training



### FY2019-20 RECOMMENDED BUDGET EDUCATION

CHCCS - CAPITAL	Requested Increase	Recommended Increase	Recommended Appropriation
Recurring Capital	(\$17,700)	(\$17,700)	\$1,804,200
Long Range Capital	\$24,104	\$24,104	\$2,412,896
Deferred Maintenance Plan	\$1,821,900	\$1,804,200	\$1,804,200
Total	\$1,828,304	\$1,810,604	\$6,021,296

OCS - CAPITAL	Requested Increase	Recommended Increase	Recommended Appropriation
Recurring Capital	\$17,700	\$17,700	\$1,195,800
Long Range Capital	\$54,565	\$54,565	\$1,599,236
Deferred Maintenance Plan	\$1,178,100	\$1,195,800	\$1,195,800
Total	\$1,250,365	\$1,268,065	\$3,990,836

### FY2019-20 RECOMMENDED BUDGET EDUCATION

YEAR	County Appropriation		% of General Fund Revenue
	Per Pupil	\$ Increase	
FY2015-16	\$3,697.50	\$126.50	49.7%
FY2016-17	\$3,868	\$170.50	50.6%
FY2017-18	\$3,991	\$123	49.7%
FY2018-19	\$4,165	\$174	50.1%
FY2019-20	\$4,340	\$175	49.5%

### FY2019-20 RECOMMENDED BUDGET

COUNTY APPROPRIATIONS AND SUPPLEMENTAL TAXES FOR EDUCATION (FY2018)

LEA NAME	AMOUNT	PER PUPIL	RANK
Chapel Hill-Carrboro City Schools	\$73,904,748	\$6,038	1
Orange County Schools	\$33,530,554	\$4,584	2
Asheville City Schools	\$19,682,743	\$4,529	3
Dare County Schools	\$21,717,945	\$4,284	4
Durham County Schools	\$132,314,848	\$4,047	5
Chatham County Schools	\$31,268,303	\$3,575	6
Transylvania County Schools	\$11,842,443	\$3,497	7
Watauga County Schools	\$13,156,954	\$2,935	8
Charlotte-Mecklenburg County Schools	\$426,444,699	\$2,907	9
New Hanover County Schools	\$75,141,652	\$2,891	10

Source: Department of Public Instruction (FY2018 data)

### FY2019-20 RECOMMENDED BUDGET EDUCATION

DURHAM TECHNICAL COMMUNITY COLLEGE		
	Requested	Recommended
Current Expense*	\$723,256	\$723,256
Durham Tech Promise**	\$200,000	\$200,000
Capital Outlay	\$100,000	\$75,000

\* Includes a designated College Liaison position for Chapel Hill-Carrboro City Schools and Orange County Schools

\*\* Durham Tech Promise Scholarships funded by Article 48 Sales Tax

### FY2019-20 RECOMMENDED BUDGET OUTSIDE AGENCIES

Outside Agencies	Agency Requests	Recommend Appropriation	Recommend Increase
Existing Agencies	\$1,886,072	\$1,470,401	\$19,228
New Agencies	\$191,478	\$19,780	\$19,780
<b>Total</b>	<b>\$2,079,550</b>	<b>\$1,490,181</b>	<b>\$39,008</b>

*~\$1,466,081 is consistent with the target established by the BOCC to allocate 1.2% of general fund expenses, not including education, to outside agencies.*

### FY2019-20 RECOMMENDED BUDGET 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	\$0.1030	\$0.0050	\$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	\$0.00	\$0.0994
Orange Grove	\$0.0681	\$0.00	\$0.0681
Orange Rural	\$0.0915	\$0.00	\$0.0915
South Orange	\$0.0968	\$0.00	\$0.0968
Southern	\$0.1030	\$0.0050	\$0.1080
Triangle			
White Cross	\$0.1137	\$0.01	\$0.1237

### FY2019-20 RECOMMENDED BUDGET COUNTY DEPARTMENTS

#### EMPLOYEE COMPENSATION PACKAGE

	%	County Cost	Total
Wage Adjustment	2%	\$1,100,000	\$1,100,000
Retirement Increase	.95%	\$475,000	\$475,000
Living Wage <sup>1</sup>	4.9%	\$25,000	\$25,000
<b>Total</b>		<b>\$1,600,000</b>	<b>\$1,600,000</b>

*1- Increase living wage for temporary employees from \$14.25 per hour to \$14.95 per hour on July 1, 2019*

### FY2019-20 RECOMMENDED BUDGET COUNTY DEPARTMENTS

#### FUNCTIONAL LEADERSHIP TEAMS

- COMMUNITY SERVICES**
  - ✓ Increase Solid Waste Program Fee by \$10 (from \$132 to \$142 per year)
  - ✓ Solid Waste – Enterprise Fund (No General Fund support)
- GENERAL GOVERNMENT**
  - ✓ IT Security Officer - 1.0 FTE, starting 1/1/20
  - ✓ Diversity, Equity, and Inclusion Training – 2<sup>nd</sup> year of 3 year plan (fund reallocation)
- HUMAN SERVICES**
  - ✓ Navigators – 8.25 FTE (fund reallocation)
- PUBLIC SAFETY**
  - ✓ Criminal Justice Resources Attorney – 1.0 FTE, starting 10/1/19
  - ✓ Sheriff Deputies – 5.0 FTE
  - ✓ Community Paramedic

### FY2019-20 RECOMMENDED BUDGET

BUDGET TIMELINE	DATE
Recommended Budget Presentation	May 2
BUDGET PUBLIC HEARINGS	DATE
Budget and Capital Investment Plan (CIP)	May 14 & May 16
BUDGET WORK SESSION SCHEDULE	DATE
Schools and Outside Agencies	May 23
Fire District, Public Safety, Support Services and General Government	May 30
Human Services and Community Services	June 6
Budget Amendments and Resolution of Intent to Adopt	June 11
BOCC REGULAR MEETING	DATE
FY2019-20 Operating and CIP Budget Adoption	June 18

### FY2019-20 RECOMMENDED BUDGET BUDGET DOCUMENT AVAILABILITY

- Clerk to Board of Commissioners
- County Finance & Administrative Services Office
- Orange County Library
- Chapel Hill Public Library
- Carrboro/McDougle Branch Library
- Orange County Website - <http://orangecountync.gov>

### FY2019-20 RECOMMENDED BUDGET MISSION STATEMENT

Orange County exists to provide governmental services requested by our Residents or mandated by the State of North Carolina. To provide these quality services efficiently, we must:

- Serve the Residents of Orange County – Our Residents Come First;
- Depend on the energy, skills, and dedication of all our employees and volunteers;
- Treat all our Residents and Employees with fairness, respect, and understanding.

Orange County Residents Come First

Commissioner Dorosin referred to the slide with the tax rate alternatives, and said he understands that the Manager is not recommending a one-time increase, but asked, if the Board adopted this change, would the extra monies be put into a reserve fund.

Bonnie Hammersley said yes, and staff has changed the term from one-time to an upfront increase, as it will happen every year going forward. She said it will be reserved for capital debt service only.

Commissioner Dorosin asked if the tax rate stay at the same level, if the Board chooses this option.

Bonnie Hammersley said the tax rate would go to .9084, and it would stay at the same level for a few years. She said the County would gain the same amount of money, with either option, but would be getting it sooner and would bank it.

Commissioner McKee asked if it would stay at that level for the debt service, unless other increases were needed in future years for other expenditures.

Bonnie Hammersley said yes.

A motion was made by Commissioner Dorosin, seconded by Commissioner Greene to open the public hearing.

VOTE: UNANIMOUS

### 3. Public Comment

Brian Link said he is a father, a voter and a proud public school teacher. He asked that the Board fully fund the CHCCS request, and make changes necessary to fund the students. He said the letter, which was handed out, is regarding the request for paid parental leave. He

said his family was fortunate that when his daughter was born, he was able to stay at home during her first months, as the school year just ended. He said many of his colleagues cannot do this. He said going forward, he would like Orange County to have what other nations and some other states do, which is to fund paid parental leave to allow parents to stay home with their newborns. He said school teachers are asked every day look out for the community's most precious resource, our children, and he is asking the same of the Board, to help teachers' families. He said he is lucky to live in an area that is receptive to this idea, and thanked the Board of County Commissioners (BOCC) for its support of public school systems.

Susan Friedman, Associate Director, Compass Center thanked the Board for its continued support, without which the Compass Center could not serve the nearly 6,500 people in the community. She said in January, the Compass Center started providing housing support services, and in April, it started providing e-filing services. She said the number of people requesting domestic protection has doubled in this area, and this month the Compass Center will start a program to provide mental health services for children. She said the Compass Center works with many other agencies to ensure that the community members have access to the services, and look forward to continuing our partnership and working with others.

Charlie Cleary said he lives in Hillsborough, grew up in Orange County, married a local person, and would like to thank the BOCC for its support for the OE Enterprises. He said he is grateful for this funding as an OE board member and parent of a recipient of this assistance.

Denise Moody, Program Director at OE Enterprises thanked the Commissioners for the outside agency funding, which provides transition funding for programs with people with disabilities. She said programs that support this work are hard to find. She introduced Emily, who is here to tell about the work she does.

Emily said she has been working the mail route for 6 years, and likes having a job.

Archie Wright said he has been with Orange Enterprises for 3.5 years, and appreciates the work and support of OE enterprises.

Mary Ann Wolf, Vice Chair of the Chapel Hill Carrboro School Board said that for many months, they have been working on their strategic plan, and are giving careful thought to their decisions. She said the school system appreciates the BOCC's hard work and difficult choices. She said CHCCS has a strong focus on equity. She said about 3.6% of this year's budget request relates to inflation, and the CHCCS board is working to address significant needs in school safety and maternity/paternity leave, which will also help improve outcomes. She said the CHCCS board is happy to live in an area where education is a high priority, but the state or North Carolina is tricky. She said CHCCS is 11<sup>th</sup> in North Carolina in total per pupil in funding, but North Carolina is 37<sup>th</sup> in the nation. She said the national average per pupil expenditure is \$12,526, and CHCCS is \$11,932. She said even though CHCCS is an example of a highly funded district in NC, it is still hundreds of dollars below the national per pupil average. She said the CHCCS board greatly appreciate the BOCC support, and is very careful with its use of funds, and the requests being made.

Kristin Jackson said she is a parent and a teacher, and thanked the BOCC for providing funding for equity services. She said CHCCS ranks high in the State, but there is a great deal of work to do, and North Carolina is projected to stay at 39<sup>th</sup> this year. She said funding should be a source of pride; being number one in a state that is 39<sup>th</sup> does not say much. She said the school supplements allow districts to be more selective in who is recruited, but the State no longer offers corresponding pay for enhanced degrees. She said the 2019 Stanford Center for Education Policy Analysis still shows that CHCCS has the 2<sup>nd</sup> largest achievement gap in the nation, and humbly asked the BOCC to continue a high level of funding to close this achievement gap.

Marisa Martini said she works for Habitat for Humanity, handling the home preservation programs. She thanked the BOCC for its commitment to affordable housing, and the Manager

for recommending an increase in funding to allow Habitat to serve low-income families and persons in rural areas.

Nancy Rogers said she is a homeowner who lives in the Rogers Road neighborhood, and the home preservation program allowed Habitat to build an accessible ramp, thanks to the funding to help people in need. She said her husband was in and out of the hospital and they were in desperate need for a ramp because he could not walk. She said she reached out to various agencies, but no one came through. She said it was difficult to get him out of the house, and she finally gave up, but the Jackson Center contacted Habitat to help. She said the new ramp has given her husband his independence again. She thanked the BOCC for its funding and support.

Douglas Call said he is a volunteer at Habitat on the home restoration program. He said he has lived in the area for 25 years after serving in the military, and has had the opportunity to see a lot of areas and see what housing means to people. He said returning to this area gave him a wonderful opportunity to take that insight to help elderly people. He said he has got to know the families well, and the small repairs have great impact, and allow people to interact more with the community. He said he is a member of the Board of Directors, and thanked the BOCC for allocating these funds. He said most families who have to leave their homes will end up spending more money, which leads to debt, bankruptcy and life changes, and society then has to pick up what they cannot pay.

Riza Jenkins said she is a parent in the Chapel Hill Carrboro school system, and requests the commissioners fully fund the budget request. She said there are many costs in running a school district, and one essential element is to support the exceptional teachers and staff. She said it is amazing that there is no paid maternity/paternity leave; and teachers are always focused on providing services to our children, even when teachers are not working because of a newborn. She said teachers do so much for our children and for our future.

A motion was made by Commissioner Dorosin, seconded by Commissioner McKee to close the public hearing at 7:49 p.m.

#### **4. Adjournment**

A motion was made by Commissioner Dorosin, seconded by Commissioner McKee to adjourn the public hearing at 7:49 p.m.

VOTE: UNANIMOUS

Penny Rich, Vice-Chair

Sherri Ingersoll  
Deputy Clerk