

BUDGET WORK SESSION

JUNE 12, 2014

The Pender County Board of Commissioners met in Budget Work Session with County Departments on Thursday, June 12, 2014 at the Pender County Public Assembly Room, 805 S. Walker Street, Burgaw, North Carolina.

In attendance were: Board Chairman David Williams and Vice-Chairman Fred McCoy; Interim Clerk to the Board/Finance Officer Claiburn "Butch" Watson; Human Resources Director Denise Mulhollen; Bond Attorney Bob Jessup of Sanford Holshouser LLP; and other staff.

Chairman Williams called the Work Session to order at 4:10 p.m.

Each Department explained their various requests and discussed their various programs and divisions. Mr. Watson had provided each Department's budget on a screen and the Board of Commissioners had advance copies of the Department Budgets as presented. The Board held discussion and asked questions during and after each department's presentation.

The following Departments reported:

Housing -- Housing Director Judy Herring. Mr. Watson reviewed the housing budget which remains flat. Ms. Herring discussed Seven Oaks tax credits that are about to expire and managing in two fiscal years.

Governing Body – The budget for the governing body remains flat for FY 14-15.

County Manager – Interim County Manager Claiburn "Butch" Watson. Mr. Watson explained that there are only minor changes in the County Manager's budget: An addition to salary for the Assistant County Manager position and a couple of other small adjustments.

Human Resources – Human Resources Director Denise Mulhollen. Mr. Watson and Ms. Mulhollen reviewed the line items of the Department's budget with the Board: Insurance has been bumped up in anticipation of a mandated increase; travel is up a small amount as well, so that more than one or two days of training are possible; and dues have been increased by \$265 in order to obtain an HR membership in World at Work.

Finance – Interim County Manager/Finance Officer Claiburn "Butch" Watson. Mr. Watson explained the increased demands on the Finance Department over the years and particularly, in FY 13-14, with the introduction of the new tax and tag program. The Board Members present acknowledged that the Board was aware of the growing need and that none of this was a surprise. Mr. Williams stated that even though there were a few board members out today, they had prior discussion on the Finance Department's needs. Mr. Watson pointed out the demand was not only from the increased budgets, number of employees and transaction volume, but also that two other positions have been affected in the recent past: Changing the payroll position to payroll and purchasing instead of payroll assisting in A/P workload; also adding assistant county manager responsibilities to the finance officer's role, which keeps him out of the office 40% of the time. A request for a new position of Senior Accountant is included in budget. Ms. Mulhollen said it would be in a professional level accountant salary grade 72, starting around \$52,000 annually. Other discussion included: Finance leading implementation of Employee Self Service to benefit payroll (and also HR), and an explanation of Option 4 Sales Tax as a hybrid system vs. ad valorem or population based.

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County Attorney – County Attorney Carl “Trey” Thurman III. Mr. Watson explained that the County Attorney’s budget is volatile as we cannot predict what legal issues may arise and historically, this cost center is almost always over budget. However, Mr. Watson said he expects it to be lower this year than it has been in the past three years.

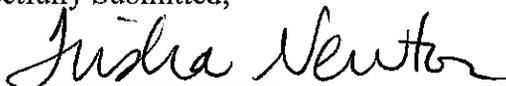
Public Buildings – Administrative Officer Pat Simmons. Ms. Simmons said HR had recently approved a 19 hour per week position. Ms. Simmons prefers to reallocate some temp laborer funds to make that person a full time cross trained employee in buildings and grounds-particularly with the Topsail High School and Pender Commerce Park projects going on. It was further discussed that temp labor will still be necessary; five people are needed for summer grounds help alone. Currently, we have three employees and part time labor working in parks, three employees working in buildings and four in maintenance. Ms. Simmons feels that once we have a new jail, we will need two maintenance people; currently we have one person spending 85% of his time in the jail. Ms. Simmons emphasized that these staff are already working well together and that this will not affect the budget. Ms. Simmons provided an example of how Mosquito Control pays for other employee’s training so that in the event of disease outbreak, we have trained staff ready.

Sheriff – Mr. Watson requested for the Sheriff’s office to begin paying overtime of \$286k annually to be more competitive with surrounding law enforcement agencies. Mr. Watson stated that Sheriff Smith is willing to forego some of his part time employees in order to do this. Chairman Williams said the Board would consider it, but a decision will not be made today.

COLA and Phase II of Salary Study – Lastly, there was discussion amongst Mr. Watson, Ms. Mulhollen and the Board on a Cost of Living Increase and Phase II of the salary study. Ms. Mulhollen proposed that the 1.2% COLA would go into effect in the first complete pay period in October 2014 and Phase II of the salary study in the first complete pay period in January 2015. Mr. Watson said the COLA would cost \$190k and Phase II implementation would cost \$320k; undesignated fund balance would have to be used this year and then next year it could be offset with the insurance savings.

The Budget Work Session recessed at 4:50 p.m. in time for the Board to begin a Budget Work Session with the Pender County School Board.

Respectfully Submitted,



Trish Newton, Payroll and Purchasing Specialist

Reviewed By:



Glenda Pridgen, Deputy Clerk to the Board