

January 22, 2009

The Union County Board of Commissioners met in a special meeting on Tuesday, January 22, 2009, at 10:00 a.m. in the Commissioners' Board Room, first floor, Union County Government Center, 500 North Main Street, Monroe, North Carolina, for the purpose of considering the budgetary reduction and taking such action as it deems appropriate during the special meeting in connection with these matters. The following were

PRESENT: Chairman Lanny Openshaw, Commissioner Allan Baucom, Commissioner Tracy Kuehler, and Commissioner A. Parker Mills, Jr.

ABSENT: Vice Chair Kim Rogers

ALSO PRESENT: Al Greene, County Manager; Matthew Delk, Assistant County Manager; Lynn G. West, Clerk to the Board; Jeff Crook, Staff Attorney; Kai Nelson, Finance Director; Mark Watson, Personnel Director; members of the press, and interested citizens

At approximately 10:10 a.m., Chairman Openshaw called the meeting to order and recognized Al Greene, County Manager, for comments.

County Manager's Comments:

Mr. Greene stated that for some time, staff has been closely tracking the County's revenues for the current fiscal year and has been through some reductions in County expenses since October. He said that the revenue projections have required staff to put forth an effort to develop further reductions in the current year's expenditures to assure that the County ends the current fiscal year with a balanced budget or with minimal fund balance use.

He stated that the local economy has been driven in large part by residential construction over the past few years. Mr. Greene noted that two to three years ago, Union County was averaging approximately 350 single-family building permits per month and that number has dropped significantly. He said that in the past two months, Union County has averaged approximately 25 single-family permits per month. He stated that he did not think the importance of the banking industry to the local economy could be overstated.

He said that many of the County's residents are either directly or indirectly employed in the financial community in Charlotte. He stated that most of the County's revenues are driven by local economic conditions.

Mr. Greene said that the County is fortunate to have a capable financial staff who has been constantly monitoring the situation. He said that action is being taking at the staff level and further action is recommended for the Board with the goal of not only stabilizing the County's financial situation this year but also in an effort to better position the County for the next fiscal year. He said the management team, the County Manager's office, the finance office, the personnel office, legal, and all County department heads have worked together as a team over the past two months to assess the organization and to identify significant expenditure reductions that can be made without affecting the County's ability to continue to provide necessary services to the citizens.

He explained that this does not mean that the organization will not be impacted by the budget reductions, and it is very likely that the reductions will also impact the County's citizens in terms of the timeliness of the County's response to their needs and in some cases the services offered. Mr. Greene said that of most concern is the necessity to reduce the County's workforce. He explained that once all reductions have been implemented, it is anticipated that approximately 90 of the total 1,066 full-time equivalent positions will have been eliminated. He said that over half of the positions to be eliminated have been or will be handled through attrition, and as employees retire or leave the County for other reasons, those positions will not be filled. Mr. Greene stated that approximately 40 positions are being eliminated that are currently filled with capable, dedicated friends and co-workers. He stressed that a primary concern is for the continued wellbeing of those employees and their families.

Mr. Greene stated that Kai Nelson, Finance Director, would be making a presentation to the Board which focuses on the impact of the economic downturn on the local revenues and the reductions in the proposed overall expenses of the County. He said that Mark Watson, Personnel Director, would also make a presentation regarding a proposed recommended reduction in force.

Presentation by Finance Director:

Mr. Nelson stated that prior to making his presentation, he wanted to preface his comments. He said that this morning is not a good morning, and, in his almost three decades of public service, he has not experienced a financial crisis of the magnitude that the Board, the County employees, and the citizens are facing today. He said that this is a sad morning and one that he takes no pleasure in sharing with the Board. He stated that he was cautious of using words and phrases that are excessively used, because it then tends to reduce their importance such as the word "unprecedented." However, he said that he would use the word and stated that "we are in unprecedented financial circumstances."

Mr. Nelson's presentation included identifying the problem, reviewing the steps already taken, some implications relative to additional steps, and Board actions requested.

He said that the source of the problem is the recession which had a start date of December 2007. Mr. Nelson stated that there had been some indication that the economy will continue to contract through the summer of 2009; however, more recent views are projecting 2010 and possibly 2011. He said that the nation's unemployment rate jumped to 7.2 percent, which is a 16-year high, and in 2008, the nation shed more jobs than in any other year since 1945. He stated that North Carolina, in terms of actual percentage, lost more jobs in the last few months in 2008 than any other state in the Union. He said that North Carolina has its highest unemployment rate in 26 years.

Mr. Nelson shared that State Corporate Income Tax, a portion of which is used to fund school capital construction, is down 25 percent, and home sales in the Charlotte Metropolitan area are at the lowest level in six years.

He explained how the national and regional economic indicators affect Union County. Mr. Nelson discussed the ways that Union County funds its activities. He said that property taxes constitute 63 percent; sales taxes 16 percent; and three other components: interest income, user fees, and real estate revenues are all revenues that tend to be affected by the economy.

Mr. Nelson stated that as of December 2008, approximately 70 percent of the property tax levy had been collected as compared with prior years. He said that in 2001, which was the last economic slow down, there was a decline of about one-half of one percent on the collection rate. He stated that if that decline were to materialize this year, there would be a budget deficit of approximately \$1.1 million and if it were a full percentage point, it could be as high as \$2 million below the budgeted estimates.

He discussed the performance of the sales and use tax revenues. He said that in 2005, the County collected somewhere between 15 and 20 percent greater than the year before, and in 2006, the increase was somewhere around 11 percent. He stated that the number last year was approximately 4 percent, and the budget was based on a 4 to 5 percent increase. Mr. Nelson said that it now appears that sales and use tax collections will fall a full five percent below what was budgeted which equates to about \$2.5 million.

Mr. Nelson said that the Manager had referred to housing starts having been 300 per month in previous years, and housing starts per month have declined precipitously to today's date. He stated that the year-end estimates for building permits are approximately \$2 million under budget.

He stated that in connection with the Register of Deeds' Office, there is a clear trend from 2006 to December 2008 that represents an approximate 30 to 40 percent decline in the number of transactions per month. Mr. Nelson said that the budget estimate for excise tax is \$900,000 to \$1 million under budget.

He referred to the yields from security investments and indicated that they are record lows for the last four to five-year period. He projected that there would be a two-year steady decline of investment income in this year's budget and accelerating even further in next year's budget.

Mr. Nelson said the final piece of the County's revenue pie is lease income. He stated that the County owns the real estate on which CMC-Union's facilities are located. He said the anticipated rent from CMC-Union this year is \$1.3 or \$1.4 under budget. He explained that the hospital relies heavily on investment earnings and operating income has also declined.

In summary, Mr. Nelson said that the revenues that he had reviewed with the Board represent approximately 90 percent of the County's revenues. He stated that not a single source of revenue has not been affected in some form by the current economic condition. He said that this results in the County being approximately \$15 million under budget.

The next subject discussed by Mr. Nelson was fund balance. He said that every year a certain amount of fund balance is appropriated in balancing the budget. However, he said that it is expected that the amount appropriated will not be spent, because the expectation is that revenues will come in slightly over budget, and expenditures will come in slightly under budget and when the two are aggregated, fund balance will not be used but on the margins fund balance will be added to.

Mr. Nelson said that, obviously, one of the County's problems this year is that revenues that are actually being received are under budget. He explained that the Board also has a target of 16 percent in connection with fund balance, and any amounts exceeding 16 percent are transferred to the County's Capital Improvement Program. He said that the objective in the recent years has been to ensure by the fiscal year end that the County has a structurally balanced budget. He stated that at the beginning of the fiscal year, \$30 to \$40 million is needed in working capital to address the July, August and September payments, which represents approximately 16 percent of the budget.

Mr. Nelson explained that approximately 90 cents of every dollar occurs in education, public safety, and human services. He said that almost 86 cents of every dollar is spent on education, debt payments, paying for wages and benefits, and public assistance. He stated that approximately two-thirds of the County's full-time employees are either in human services or public safety.

He said that in October, the Board had directed a hiring and capital freeze. He stated that following that action by the Board, the departments initiated some spending cuts based on the Board's direction. Mr. Nelson said that approximately \$3.6 million and 27 County positions were identified for reductions. He stated that given that there is a \$15 million potential shortfall, the \$3.6 million was a good start but, obviously, insufficient. He said that the County Manager, the Finance Director, and various team members went through another round of spending cuts and was able to identify another \$2.6 million and another 46 full-time positions in the general fund and some lapsed salaries. Mr. Nelson said that both the first and second reduction efforts total approximately \$7 million in cuts. He stated that these efforts eliminated about 73 positions, and some of those positions require a reduction in force.

He explained that when taking eight percent of the County's full-time employment, four to five percent of all the expenditures, it is going to have an impact on the service levels. He said that in the case of libraries, the result will be reduced hours and termination of an Outreach Program. He said in the instance of the Nutrition Program, it would eliminate a nutrition site.

Mr. Nelson stated that they have been somewhat discreet in working with the departments and trying to address the County's financial issues and not choosing as an alternative an across the board cut recognizing that the slow down in the economy and the recession impacts organizations differently. He reviewed the impact of the reductions on the County's \$241 million budget. He said that based on the County cuts today totaling \$6.8 million, there would still be \$6.2 million expenditures over revenues. There was discussion regarding the collection of property tax and sales tax revenue. Mr. Nelson stated that the percentages provided in today's presentation are the staff's best estimates at this time but assured that staff is monitoring both property tax and sales tax on a regularly basis.

Mr. Nelson reviewed the amounts that the schools were being requested to reduce its budget which is approximately the same percentage as the County's reductions.

Commissioner Kuehler asked if a pay cut across the total workforce has been considered and what percentage would salaries have to be reduced in order to reach the same impact as is being achieved by eliminating certain positions. Mark Watson, Personnel Director, responded that he would answer Commissioner Kuehler's question at the time he made his presentation.

Mr. Nelson explained that if the Board wanted to proceed with middle and high schools “D”, additional debt would have to be issued in the form of Certificates of Participation (COP’s). He stated that in 2010 it is not anticipated that there will be any real growth in revenue sources.

He said that the County’s current credit rating is AA and to go to single A credit rating would have immediate implications for the County such as an increase in basis points by BB&T. The Manager stated that Mr. Nelson will be working with the rating agencies in the next few weeks in preparation for the upcoming bond sale.

Commissioner Baucom asked Mr. Nelson and the Manager for their opinions in connection with the staff’s recommendations today, whether the County’s ratings would be negatively impacted. He restated his question as “whether the County is doing enough with the recommendations to maintain its AA rating. Further, he asked if the financial implications are more challenging than the current predictions, what the impact would be and would the County be able to make corrections to prevent a negative impact in the rating.

Mr. Nelson responded that the rating agencies judge the County in several ways. He said one of the ways that the rating agencies judge the County is by looking at its financial policies and the Board’s adherence to those financial policies.

Chairman Openshaw said that the presentation showed general fund expenditures rising each year. He asked Mr. Nelson for an explanation for the increase in expenditures.

Mr. Nelson stated that this concluded his presentation and would defer to Mark Watson, Personnel Director, for his presentation. He offered to obtain the answer to Chairman Openshaw’s question while Mr. Watson was making his presentation.

At approximately 11:26 a.m., Chairman Openshaw called for a five-minute recess.

The Chairman reconvened the special meeting at approximately 11:35 a.m. and recognized Mark Watson for his comments.

Mr. Watson stated that he echoed the sentiments of Mr. Nelson as he made his opening remarks that this is not a good day for Union County and not a good day for Union County employees. He said it is a difficult task to evaluate and look at the issues and bring them before the Board today.

He stated that he was sure that a majority of the Board's questions would revolve around the employees who would be affected by a reduction in force. He addressed the process that was followed in connection with the reduction in force. He said that he was shocked when he had been told by Mr. Nelson that it would have to go to the personnel line items to make up the County's budget shortfall, and he was even more shocked to learn they would be considering 100 positions. Mr. Watson said that Union County has never faced this issue before. He stated that the County did not at the time have a reduction in force process and staff reviewed the State of North Carolina's reduction in force policy along with a number of policies from other counties in the State.

Mr. Watson stated that in reviewing where the reductions would have to occur, Mr. Nelson was very clear that the reductions would have to come in positions that are County funded. He explained that the County receives funding from various streams to pay employees to perform different services. For instance, in the Health and Social Services Departments, over 75 percent of the funding for personnel line items come from state and federal sources.

Mr. Watson noted that there are 25 departments and each department provides a different service. He pointed out among those departments each of them is affected in a different way by federal and state law and in some cases local ordinances. For instance, the Department of Social Services' and Emergency Management's employees are all subject to the State Personnel Act. He said that brings a whole new level with which the County must comply in making employment-related decisions. Mr. Watson also pointed out that the Sheriff and Register of Deeds, as elected officials, have special authority for hiring and firing and making employment decisions within their departments.

He stated that a number of options were reviewed and the method that was chosen was the reduction in force. He said that there were several other options that could be or might be available for the County to consider and use in the future should the economy continue to worsen, such as a reduction in hours, reduction in across the board compensation, reduction of benefits, or a combination of any of those options.

Mr. Watson addressed the question asked earlier by Commissioner Kuehler regarding across the Board salary reductions. He referred to the presentation by Mr. Nelson regarding the reduction of 73 Full-Time Equivalents which are County funded at \$3.5 million. He gave an example of using a 2.5 percent pay reduction across the Board for all employees. Mr. Watson stated that the Union County Personnel Resolution states "that you may not pay an employee at a rate less than the assigned pay grade." He said that with a 2.5 percent pay reduction, 175 County employees would fall below the minimum of the pay grade to which they are assigned.

Further, Mr. Watson explained that an across the board pay decrease could also result in fairness and equity issues. Mr. Watson stressed that Union County will not be able to compete for labor in the current market conditions if it lowers the pay bands today. He said that it does not mean the pay bands could not be adjusted at some time in the future.

Chairman Openshaw said that there is a different market place now. He stated that if there were a 10 percent salary reduction, it gives an opportunity to pick and chose those jobs that are absolutely necessary to provide the services that are needed to be provide to the citizens.

Mr. Greene commented that the process that the staff has followed was to identify where the organization could reduce costs with the least impact on the organization and citizens. He said that all of the positions that have been identified for reduction either have significant reductions in their workload, or in working with the department heads, they have reached an agreement that their departments can function without those positions. He stated in light of that, he did not know what justification there would be to retain those positions in the current economic environment. He noted that the County's Personnel Director, the County Finance Director, staff attorney, and the applicable department head that they were working with at the time were involved in the conversations, and they have all reached an agreement that the reductions could be made with a minimal impact on the organization, the services provided, and ultimately the citizens.

Commissioner Kuehler said that she totally agrees that to lower pay grades or to reduce salaries on positions that are not needed would be ridiculous. She asked the number of jobs that needed to be reduced after identifying those jobs that did not have enough work to justify the positions. Mr. Watson responded that he did not have that information available. He said that what staff has presented to the Board is the best way to address the situation today. He said that other options all have their place, and if the economy continues to worsen, the County might be considering the other options.

Chairman Openshaw said that assuming the Manager's statements are correct, the County is still left with over \$2.2 million expenditure from the fund balance. He stated that he understood the logic of what staff has done, and maybe it is the best way to go now, generally speaking, but it still does not get back to a zero balance. He said as far as the pay grades, it would take more time and it would be more difficult, but the reality is, just reading between the lines of what is being said and the projections for next year, this is just round one. He stated that if the economy were heading to a depression or a severe recession, the Board would be dealing with these same issues again.

Mr. Watson said that he truly believes there are lessons to be learned from history, and we must not live in the past. He stated there are a number of things that have changed since the Great Depression, specifically in the area of human resources and how benefits and wages are handled. He said that there are options for the future if the conditions continue to worsen.

Commissioner Mills questioned whether Mr. Nelson had budgeted the more realistic sales tax figures for November and December. Mr. Nelson responded that in this particular forecast, he had assumed a two-percent reduction each and every month for the remaining months.

Mr. Nelson assured that his department monitors the County's financial position each and every month, and close to the tenth of each month, they focus on receiving the sales and use tax data to determine the County's status. He said that when they receive February's data, they will re-evaluate the County's position and come back to the Board.

Mr. Greene assured that staff is also concerned with the projections worsening over the coming months. He said that as staff went through the process to identify reductions, the target at the time based on revenue projections was \$10 million. He added that only in the past week to a week and a half have those projections been modified to indicate the \$14.9 million.

Commissioner Mills said that understanding actual numbers for the tax collection rate are going to be lowered than the amount budgeted and the fact that there is still a \$2.2 million funding gap shortage with these projections in place, he would suggest that the Board consider instructing the Manager and staff to consider, not implementing, but starting the process to reduce the pay bands in the event it does become necessary to do so.

Mr. Watson responded that the budget cycle is beginning and the review of the pay plan is always a part of the budget cycle, so staff would have the information available to the Board regarding the pay bands in the normal course of business.

Commissioner Mills said he would be very cautious to assure that the County maintains its AA rating for the future. He stated that he did not think the County was in an environment to be hiring, and he thought that employees would be glad to receive 98 or 95 percent of their salary rather than nothing at all.

Staff provided detailed information and answered questions of the Board members regarding the process followed in connection with the recommendations for the reduction in force.

Chairman Openshaw asked about the vehicle policy. Mr. Greene responded that Barry Wyatt chaired a committee that reviewed vehicle use, and Mr. Wyatt had provided him with a report earlier this week recommending, in broad numbers, that 100 of the 250 take-home vehicles be eliminated. Chairman Openshaw said that he would be curious to see at some point in time what units of government have actually increased service needs because of the economic situation.

Mr. Greene responded that, obviously, the Health Department and the Social Services Department would be two areas where there have been increased service needs due to the economy. He said that to make further reductions in those areas in light of the economy would be extremely difficult, and, in addition, much of the funding for those two departments come from state sources; therefore, there would be little benefit to the County from further reduction in terms of the general fund. He said that he thought the Sheriff's Office was also experiencing an increase in service demand in a number of areas.

Chairman Openshaw asked Sheriff Cathey to address the increase in service needs in his office. Sheriff Cathey said there has been an increase in service needs from his office due to evictions, bankruptcies, domestic violence, foreclosures, breaking and entering, etc.

Mr. Greene added that another department that might be experiencing an increase in service demands would be the Nutrition Program. Chairman Openshaw commented that the Library would be another department where there would be an increase in services.

Chairman Openshaw commented that a consultant had been hired to study the Public Works Department, and after reading that report and seeing the deficiency in funding for information technology from that department alone, IT is supposed to equal efficiency. He said sometimes there has to be money spent in order to save money. He said that the County needs to modernize its government. He stated that if staff had any suggestions on this issue, he would be interested in hearing those ideas.

Mr. Greene responded that similar to the vehicle policy, there is also a broad staff committee headed by the County's Information Technology Director and Matthew Delk that is studying a variety of information technology issues.

Commissioner Baucom asked if with the recommended actions, there is latitude should there continue to be challenges with the County's budget to pursue on a rapid basis any additional actions. Mr. Greene replied that the more reductions there are, the more difficult it will be. He said that changes in hours and salaries are logical places that will need to be reviewed if further reductions become necessary. He stated that the reductions being taken at this point in time would mean that employees are working harder and

in some cases, service levels might decrease. He said that further reductions in staff resources would certainly impact services and possibly require curtailing or eliminating services. Mr. Greene stressed that further reductions in capital and operating expenses would be very difficult. He explained that he was not saying that further operating reductions could not be made, but they would not be meaningful dollars in the context of what is trying to be accomplished.

Commissioner Baucom stated that he would have preferred to have been more proactive. He said that the Board could not justify allowing the County's ratings to be reduced. Mr. Nelson responded that from his vantage point, the implications of that occurring would be rather significant. He explained that it would mean not only increased interest costs but as it relates to fund balance, it means from a cash flow standpoint, that Union County might find itself in a rather unique position in the State of North Carolina of having to issue Tax Anticipation Notes, because there would not be enough working capital entering into the summer months.

Commissioner Baucom repeated his question as to whether there is further action needed at this time to grant latitude to the County Manager to be more proactive. Mr. Greene responded that the Budget Officer has broad latitude under state law to effect actions. He said that there are two actions that staff is recommending that the Board take today that are beyond the scope of the budget officer.

Commissioner Kuehler asked if there were a possibility that the County's credit ratings would be tightened because the rating agencies' standards have changed due to the economy. Mr. Nelson stated that he did not believe so. He said that the County uses the term "cash is king", and in connection with the rating agencies, "cash is king." He stated that he thought the fund balance issue, which is the amount of cash the County has, will probably receive much more focus from the rating agencies this time around than in the past, because cash provides flexibility to governments.

Commissioner Mills questioned whether Board action would be needed if salary reductions become necessary. It was noted that the Manager would have the discretion to handle those issues with the exception of the Sheriff's Office and the Register of Deeds' Office. Mr. Crook explained that the Board would have to reduce salaries in those departments.

Commissioner Baucom moved that pursuant to G.S. 159-13(b)(9), that the Board schedule a time within the next two weeks to conduct a public meeting at which the school board is given an opportunity to present information on the impact of the proposed reduction to the schools' budget in the amount of \$3,928.042 because of prevailing economic conditions.

For clarification, Commissioner Kuehler asked what would be the process from that point if the schools did not agree with that number. Mr. Crook responded that technically the meeting would not be a public hearing but rather a public meeting of the Board. He explained that pursuant to the statutes, the Board has to give the schools the opportunity to address its impact. He said that there are two options included in the statutes. The first option would be that a meeting is unnecessary if the Board of Education agrees by resolution to the reduction, and, if the Board of Education does not agree by resolution, the Board of Commissioners can hold the meeting and then determine the amount of the reduction.

Commissioner Mills questioned whether the special meeting would be open for public comments. Mr. Crook said that is at the discretion of the Board of Commissioners, but is not required by the statutes.

Chairman Openshaw said that the Board wants to work with the schools, and he personally does not want to dictate to the schools. He stated that he hoped the schools would understand the Board's situation. He said that he would put the schools and the Sheriff's Office at the top of the chart in terms of the Board's responsibility. He stated that safety and education are two of the primary functions that he liked to support to every degree he possibly could. He said that from his perspective, he wanted to work with the schools and wanted to make sure that the Board of Education is an equal participant in the matter.

Mr. Greene said that Vice Chair Rogers, Kai Nelson, and he met with Chairman Arp, School Superintendent Davis, and the Schools' Finance Officer yesterday. He stated that during that meeting Vice Chair Rogers outlined the recommendation for the schools, and it was a very positive, cooperative meeting, and he did not believe the response from the schools could have been more understanding. He said Dr. Davis is working with the school board in trying to arrange possible times and dates that they would be available to meet and is tentatively looking at meeting on February 5th during the day.

Mr. Nelson said that in connection with the discretion and flexibility of the schools on the budget reductions, Dr. Davis asked would the cuts come from the schools' current expense. He stated that staff's response to Dr. Davis was that the schools would be provided with wide latitude in connection with where the cuts would come including pay-go capital. He said he thought they were appreciative of that flexibility.

Chairman Openshaw said that the County was very fortunate to have Vice Chair Rogers on the Board particularly now since she had served on the Board of Education, and she is the Board of Commissioners' liaison.

Following the discussion, the motion was passed by a vote of four to zero. Chairman Openshaw, Commissioner Baucom, Commissioner Kuehler, and Commissioner Mills voted in favor of the motion. Vice Chair Rogers was not present.

Commissioner Baucom moved pursuant to the Board's authority in G.S. 153A-103 to fix the number of salaried employees in the offices of the Sheriff and Register of Deeds, to approve the elimination of eleven (11) positions within the Sheriff's Office and two (2) positions within the Register of Deeds' office, which positions shall be as determined by the Sheriff and Register of Deeds, in order to achieve the budgetary reductions in these offices required by the County Manager as budget officer.

Chairman Openshaw offered two suggestions, the first of which was to reduce the elimination of positions within the Register of Deeds' Office from two (2) positions to one (1) with a review in three months for the second position to see if activity in the Register of Deeds' Office increases. He stated his second suggestion was to delay the implementation of the elimination of eleven (11) positions within the Sheriff's Office until such time as the Board of Commissioners could have a full discussion with the entire Board on the impacts of the reductions. He explained that one of his big concerns, as has been referred to by Commissioner Kuehler, was response times of that department.

Following his comments, he offered the following amendment to the motion: 1) to reduce the elimination of two (2) positions in the Register of Deeds to one (1) position with the second position to have a three-month review to be done by staff; and 2) to delay the implementation of the elimination of eleven (11) positions within the Sheriff's Office until such time as the Sheriff can appear before the full Board of Commissioners in the near future to discuss the impact of eliminating eleven (11) positions as they relate to public safety.

Commissioner Mills said that he understood completely the Chairman's suggestion regarding the Sheriff's Office. He stated that he had all the respect in the world for the Register of Deeds and all the work that she does, but, obviously, there has been a huge decline in the workload of that office. He said the motion by Commissioner Baucom would speed up the process developed by staff to meet the County's needs, and the amendment would further complicate the issues with the Finance Director in trying to getting the budget cuts in line and maintaining the County's ratings.

Commissioner Kuehler said that she thought the two (2) positions in the Register of Deeds' Office required some specific educational requirements or certifications. She said that the Register of Deeds' Office might not have the need at this time for those positions, but to eliminate the positions and then replace them would almost be worse than maintaining the position for that short period of time.

Commissioner Baucom said that he was a little confused in that staff just completed a long, intense process, and both the Register of Deeds and the Sheriff were involved in staff's recommendation. He stated that it is not the Board's place to attempt to micromanage. He said that the motion states that it is within the realm of the Register of Deeds and the Sheriff to control the budget reductions within their respective departments. He stated that the Board has the staff's recommendations and suggested that the Board proceed with the recommended actions, move forward, and protect the citizens of the County. He said that Mr. Nelson has shown that in his best estimate right now that the fund balance reduction would amount to seven cents on the tax base. He stated that he would be voting against the amendment offered to the motion.

Chairman Openshaw said that he was assuming that there is an equipment component involved in the recommendation for reductions in the Sheriff's budget. He asked Sheriff Cathey to come forward and explain the amount of the equipment component. Sheriff Cathey responded that he thought from the first meeting he had with staff that included in the reductions were approximately \$700,000 in equipment and vehicles, etc. He said that he did not believe that his office would be purchasing any vehicles or equipment this year. He said that he had met with the County Manager and it had been decided that it would be necessary to eliminate eleven (11) positions from the Sheriff's budget.

Chairman Openshaw offered a further amendment to the motion to move forward with the budget reductions of approximately \$700,000 in equipment for the Sheriff's Office. He said the remainder of the recommended reductions involves personnel, which goes directly to what Commissioner Baucom had said about protecting the citizens of the County. He said that is one of the Board's primary responsibilities. He stated that he would not only stick with his amended motion but he would ardently back that aspect of his motion.

Commissioner Baucom stated that he had the ultimate respect for Sheriff Cathey. He asked Sheriff Cathey, if in his opinion, the action set out in the original motion would adversely affect his department. He said that it was his understanding that the action included in the original motion would take the Sheriff's Office back to the position that it was at the beginning of the budget year. He asked Sheriff Cathey if this understanding was correct. Sheriff Cathey responded "yes" and "no." He explained that at the beginning of the year, certainly the number of positions would be the same; however, he offered further comment that they had been very frugal in the budget and had tried to justify every position requested.

He said for instance in the budget, they had requested a person to work in evidence and forensics, and they had made a decision before the budget, that this was a critical position, so that would not be one of the positions that would be eliminated. He

said that saying eleven positions would be true, but some of the positions requested are critical. He stated they would have to move the positions from other places within the department.

Commissioner Baucom rephrased his question to ask if Sheriff Cathey had agreed with the staff's recommendation. Sheriff Cathey responded that there had been agreement on the \$700,000 but did not agree on eleven positions. He added that he understood that was the Manager's request for the Sheriff's Office. He said other than the meeting that he had with the Manager and other members of the committee, he had not been involved on the number of positions.

Mr. Greene interjected that the Sheriff was correct. He said that with regards to the elected department heads, the Sheriff and the Register of Deeds, the staff has no authority to discuss specific positions with them. He stated that staff has been very careful not to cross that line. He said that staff has not made any decisions regarding the Register of Deeds' and Sheriff's staffing level, but it is merely a recommendation from the staff to the Board.

Commissioner Baucom again questioned whether this action within the Sheriff's budget would adversely affect the citizens of Union County. Sheriff Cathey said that certainly there would be an impact. He explained that it would add to the response times in the County, but said he did not know by what amount. He said that not all eleven positions would be on-the-road positions but will be DARE Program positions. He stated that the DARE program will be eliminated from the schools, so that would have an adverse affect on what happens in the elementary schools. He said the positions would be moved from the DARE program to the road positions to try and make up for the positions being lost on the road. He stated that his department would shift the positions to try and lessen the impact on the road, but certainly there would be an impact on the schools.

Sheriff Cathey said that he did not disagree with what Commissioner Baucom or the Manager has said, but if they lose four people that they are just now getting up past the 1994 staffing in the jail, certainly it would have an impact on the staffing in the jail. He stated that they would shift people around and try to do it as responsibly as they can, but it would have an impact somewhere down the road.

Commissioner Kuehler said that it has already been established today in what the County is facing, that the one department that is guaranteed an increase in services is the very issue being discussed.

Commissioner Mills commented that he understood completely. He asked if the Board could instruct the Manager to make up the difference to keep the impact from occurring as a result of losing eleven (11) positions in the Sheriff's Office. He said he was not offering a motion, but was just asking.

Chairman Openshaw stated that he wanted it to be clear that he was not saying that the cuts were not going to be made, but he stressed that this is such an important situation, he wanted to know where the cuts are being made, and the Board can make a decision as to where to prioritize. He said he wanted to hear the rationale of the DARE program. He stated that he did not have any problem with the reduction in the equipment if the Sheriff were comfortable with that. Sheriff Cathey concurred that he was comfortable with that reduction.

Commissioner Kuehler asked if the other budget reductions discussed today would be delayed by the Board's delaying action on the Sheriff's personnel reductions to another time. Mr. Greene assured that it would not delay the other reductions. He said one point he wanted to make is he understood the concern about reducing public safety levels, but he had full confidence that the Sheriff could reduce the eleven positions without reducing the road deputies. He stated that public safety has 25 percent of employees of the total work force but is only targeted for a 12-percent reduction. He said that staff recognizes the importance of public safety and the reductions in other departments are disproportionate to the proposed reductions in public safety.

Commissioner Mills said that he understood what the Manager was saying but as the Sheriff had said earlier, that department has probably more increases in services than other departments because of the economy. He stated he understood the Chairman's amendment, but the numbers are not going to change. He said if the positions are not cut in the Sheriff's Office, then the money needs to be made up elsewhere.

Chairman Openshaw said he agreed that if the cuts are not made in the Sheriff's Office positions, then the money would have to come from some other place. Again, he emphasized that he was not saying that the cuts are not going to be made, but he was not going to rubber stamp the recommendation.

Commissioner Kuehler said that she did not see any difference in the amendment offered by Chairman Openshaw than what was approved for the schools.

Mr. Greene stated that Commissioner Kuehler had asked the question earlier would delaying action on the Sheriff's positions affect any of the other budget reduction recommendations, and he again stated it would not. He said that he did anticipate that a delay would affect the schools' response regarding their budget reductions.

Chairman Openshaw stated that he would like to know why the Manager felt it would impact the response from the schools. Mr. Greene responded that he thought the schools would see the delay as less than a deliberate action on the part of the County and may reflect a willingness to take less than deliberate action on the part of Union County Public Schools.

Chairman Openshaw stated that he wholeheartedly disagreed, and when the schools dialed 911, they need the Sheriff to be able to respond. He said that if the DARE Program would no longer be in the schools, the schools would have fewer officers to respond to a crisis in the schools.

Mr. Nelson pointed out from his earlier presentation that 90 cents of every dollar occurs in public safety, education, and human services. He said there is a \$15 million issue that has to be dealt with. He stressed that the County was drowning in red ink, and he said that he agreed with the Manager that the meeting with the rating agencies next week would be a very, very difficult meeting for the Finance Director and the Manager (Budget Officer). He said that currently the County's at a \$2.2 million deficit, and potentially that number will become larger because of a decrease in sales tax and property tax revenues. He stated that the \$2.2 million is dependent upon reductions of \$3.9 million from the schools. Mr. Nelson said if the Board is going to deal with the deficit in any meaningful way, public safety and education will have to be a very strong partner.

Commissioner Kuehler commented that she understood what Mr. Nelson was saying and she was not disagreeing. She said that she did not know where in the pie chart is the County's contract with Union County Partnership for Progress, but that is an organization that the County is getting ready to give \$500,000 to for a business that has not brought one new business that she is aware of to Union County since its contract was extended. She stated that she thought there were other places for reductions as well. She said she was not saying the Board was or was not going to agree with the positions cuts in the Sheriff's Office, but she was saying slow down and have a conversation so it can be ascertained whether those reductions will hurt or help the County in the long run.

Mr. Nelson stressed that conversation should occur rapidly, and the Board needed to be decisive and quick.

Chairman Openshaw said that it would be irresponsible of the Board not to meet with the Sheriff and to understand where the cuts are being made. Commissioner Baucom commented that he respectfully disagreed with the Chairman and his disagreement was

that the Board's responsibility as a Board of County Commissioners is to set policy and give direction to the Manager. He said that the staff had been extremely judicious in making the recommendations, and he would ask each of the Board members to be fiscally responsible in their vote. He asked that the Board move ahead and vote on the recommended actions, and if the challenges are not as great as they seemingly are now, and if the economy does improve more rapidly than is predicted, the Board can take positive action to replace and enhance the reductions being recommended.

Commissioner Mills said that he understood what Commissioner Baucom was saying, but from what he has heard, he thought the real numbers are going to be realistically worse than projected.

Chairman Openshaw said that it was the Board's job to approve the Sheriff's budget. He said he was ready to entertain the vote.

Mr. Greene requested permission to ask the Sheriff a question. He asked Sheriff Cathey with the reduction of eleven staff members, if he were given the flexibility to make those reductions that he deemed appropriate and if he were given sufficient time to make those reductions in a manner to take full advantage of vacant positions and retirements, would he be able to manage his department and offer reasonable and adequate public safety services to the County's citizens. Sheriff Cathey responded that the answer is that he will manage it as reasonably as possible. He said if he is allowed enough time, they would manage it through attrition. However, he said over a period of time, it would have some impact, but assured that he would manage it the best he could to lessen the impact.

Mr. Greene said that from the staff's discussions with the Sheriff, they were willing to give him the time that was necessary. Sheriff Cathey acknowledged that Mr. Greene and other staff members involved had certainly been agreeable with it.

Chairman Openshaw stated that Commissioner Baucom had made the original motion, and he had offered an amendment to the motion. Mr. Crook said that he was requesting clarification of the motion, because he thought Commissioner Mills had also proposed an amendment. Commissioner Mills said that he had proposed an amendment but had not actually offered an amendment, because he did not feel there was adequate support for it.

Chairman Openshaw repeated that his amendment was that the Board meet with Sheriff Cathey preferably on Tuesday, January 27, 2009, to hear the impact on the Sheriff's Office's ability to perform with the elimination of eleven (11) positions from that

office as recommended by staff. He clarified that his amendment also included that reductions be made in equipment for the Sheriff's Office of approximately \$700,000, as agreed to by the Sheriff and the Finance Director.

Mr. Crook clarified that the reductions in the capital expenditures could be made by the County Manager in his capacity of budget officer. He asked if Chairman Openshaw were also including in his amendment the provisions for the reductions in the Register of Deeds' budget as described by the Chairman from two (2) positions to one (1) position and a review of the second position after three (3) months by staff.

Chairman Openshaw agreed that the reductions in the Register of Deeds' budget as explained by Mr. Crook were included in his amendment.

Commissioner Baucom asked for further clarification of the amendment. Chairman Openshaw repeated that the amendment was to eliminate one position in the Register of Deeds' Office instead of two (2) as recommended by staff with the second position to be reviewed in three (3) months by staff and that the elimination of eleven (11) positions in the Sheriff's Office, as recommended by staff, not be made until the Board meets with the Sheriff on Tuesday, January 27, 2009, regarding the impact of the reductions and where those cuts will be.

Mr. Nelson clarified that when mentioning cuts, the motion was referring to the position cuts as outlined by staff, and not the rest of the cuts. He stressed that it was referring to positions, and not equipment, supplies, etc. Chairman Openshaw responded that he was referring to positions.

With there being no further discussion, the Chairman called for a vote on the amendment, which failed by a vote of two to two. Chairman Openshaw and Commissioner Kuehler voted in favor of the amendment. Commissioner Baucom and Commissioner Mills voted against the amendment. Vice Chair Rogers was not present.

The Chairman then called for a vote on the original motion.

Commissioner Mills said that he thought the Sheriff needed the eleven positions that were recommended by staff to be eliminated. He offered an amendment to instruct staff to find additional cuts and leave in place the eleven positions in the Sheriff's Office, which were recommended by staff to be eliminated.

Chairman Openshaw said that the amendment was contrary to the original motion, and, therefore, Commissioner Mills' amendment was invalid. The Chairman sought advice from Mr. Crook regarding whether the motion could be amended to that degree.

Mr. Crook responded that he thought the amendment was too much in conflict with the original motion.

Chairman Openshaw asked if the Board could vote on the original motion and then vote on another motion following that vote if necessary. Mr. Crook replied "Yes."

Chairman Openshaw asked if the original motion by Commissioner Baucom needed to be read into the record again. Mr. Crook responded that the motion did not need to be read again.

After discussion by the Board on exactly what the Board was voting on, Mr. Crook stated that the Chairman had asked for his assistance with parliamentary procedure in this situation, and in his opinion, the Board would be voting on the original motion made by Commissioner Baucom, because the amendment offered by Commissioner Mills was not a proper amendment to the motion.

Commissioner Mills questioned if there was a way to structure his amendment so that it would be a proper amendment to the motion. Mr. Crook suggested that if the amendment involved just one component such as the Register of Deeds or Sheriff's Office, it could be a proper amendment. He said that the Board was becoming bogged down in the procedure and suggested that following the vote on the original motion, a second motion could be made.

Chairman Openshaw clarified that the Board would be voting on the original motion as read by Commissioner Baucom. The motion failed by a vote of two to two. Commissioner Baucom and Commissioner Mills voted in favor of the motion. Chairman Openshaw and Commissioner Kuehler voted against the motion. Vice Chair Rogers was not present.

Chairman Openshaw opened the floor for another motion. Commissioner Mills put forth a motion which reflected the action of the amendment previously offered by him, and he said that he would agree to compromise with the Chairman to eliminate one (1) position in the Register of Deeds' Office, as recommended by staff, and for staff to review the second position in the Register of Deeds' Office after three (3) months and to allow the Sheriff to retain the eleven (11) positions. He said that his motion would further include requesting the Manager and Finance Officer to find additional cuts to make-up the loss revenue as a result of the Sheriff's maintaining the eleven (11) positions in his office.

Commissioner Kuehler said that she could support Commissioner Mills' motion but she thought that a step was being skipped. She stated that if the Board could have the meeting with the Sheriff, then it might be determined that the Sheriff does not need to retain all eleven (11) positions. She said that she could agree with the spirit of the motion, but the component of meeting with the Sheriff could save the staff from trying to locate additional cuts to make-up for the positions retained in the Sheriff's Office.

Chairman Openshaw said that the Sheriff has said that he has one position from attrition and it was really referring to ten (10) positions maximum to be eliminated in the Sheriff's Office and that number could be significantly less. He stated that he thought the whole issue could be put to rest by hearing a presentation on Tuesday from the Sheriff and then making the decision based on that data. He said that perhaps the Sheriff has a recommendation as well.

Mr. Greene commented that the value of the eleven (11) positions in the Sheriff's Office is approximately \$500,000 to \$550,000 on an annual basis. He said if the staff is directed to find that amount in other areas, it could not look at education or public safety. He stated that reductions have already been made in Human Services in the Health Department and Social Services, and it would be difficult to go beyond those recommendations. He said that Building Inspections is severely impacted by the reductions already recommended by staff, and Communications has minimal staffing levels, and further reductions in Communications could affect public safety and response times. He said all that taken into consideration leaves general government at seven (7) percent. He stressed that would be extremely severe. He asked Mr. Nelson if he had additional comments.

Mr. Nelson added that position eliminations in general government to date total 22 percent of all positions proposed for elimination. He said frankly there is not \$550,000 in general government to be cut.

Chairman Openshaw said that he thought Commissioner Kuehler made a good point with her comments about the Partnership for Progress. He said that the County was paying a consultant in Raleigh regarding the interbasin transfer issue for \$5,000 per month for a report he has never seen. Mr. Greene and Mr. Crook both interjected that the contract had been terminated several months ago.

Mr. Nelson pointed out the funding for the consultant on the interbasin transfer matter was a water and sewer matter.

Chairman Openshaw asked if the \$550,000 was for the eleven (11) positions in the Sheriff's Office. Mr. Nelson responded this was correct. The Chairman said that it had already been noted that there is at least one position from attrition, which would be roughly \$55,000. He said that the remaining amount was less than a half million dollars which is less than a quarter of a cent of tax.

He said that he just wanted to hear what the Sheriff has to present, so the Board can have an input on the decision process about where to cut public safety, which he stated did not strike him as being unreasonable.

Mr. Greene said that staff understands and these are difficult decisions that the Board is being asked to make. He said that if in the end, the Board is unable or decides against making reductions in public safety and education, then what is now a precarious financial situation is going to become a crisis for Union County.

Chairman Openshaw said that he thought the Board was aware of this, and he did not believe two business days for less than a quarter of a cent in taxes is too much to ask. He said that the motion on the table to be voted on is the motion by Commissioner Mills to eliminate one (1) position in the Register of Deeds' Office with a review for the second position at the end of three months and to not make any position cuts in the Sheriff's Office. He asked Commissioner Mills if this were his motion.

Commissioner Mills responded that if the Sheriff agrees, he would amend his motion to include a meeting with the Board and Sheriff on Tuesday, January 27, 2009, and to wait to hear from the Sheriff before making a decision on the position cuts in the Sheriff's Office.

Commissioner Baucom said it seems to be about positions, people, and faces, and he would offer an amendment that would allow the Sheriff the latitude to either eliminate positions or other cuts but it be within his department for that amount of funding. He said that this amendment would accomplish the purpose for which the Board has met today and accomplishes what staff requested while at the same time giving the Sheriff the latitude to make the budgetary cuts whether through attrition or operating funds.

Chairman Openshaw asked to hear comments from Mr. Nelson and Sheriff Cathey regarding Commissioner Baucom's amendment.

Mr. Nelson clarified that the Sheriff in his first discussions with staff offered reductions in capital outlay and some operating costs in connection with capital outlay. He said those suggestions are reflected in the staff's recommendations. Additionally, he said that the Finance Department has made more cuts, so currently the Sheriff does not have the annualized equivalent of \$550,000 that he can cut in his budget.

Chairman Openshaw commented that he did not think Commissioner Baucom's amendment, which he thought was very reasonable, implies that the entire \$550,000 would come from other situations in the Sheriff's Office. Commissioner Baucom

clarified that the intent of his amendment was to give the Sheriff, as head of his department, the latitude under which to make the monetary reductions as previously stated within his department. He said in this way the Board would have accomplished what it came to the meeting for today and would be making prudent business decisions. He said that it would not be asking other departments to make up for the shortfall that would occur because of any adverse action to this amendment.

Commissioner Kuehler said that part of the discussion by the Board has been whether the \$700,000 or that equation of was available to cut. She stated that the amendment basically said whether you have it or not, the cuts do not have to come in positions. Chairman Openshaw said that the amount was \$550,000.

Chairman Openshaw asked Sheriff Cathey for his comments. Sheriff Cathey said that he thought his department has already turned back in \$700,000 in reductions. He said that he understood Mr. Nelson to say that he has made cuts in his department's budget in addition to the \$700,000 reductions. He said that the Sheriff's budget has been stripped pretty clean and cited as an example that the jail is out of overtime money. He stated that he was unsure of the budget amount at this point.

Chairman Openshaw said that that the suggested amendment would allow Sheriff Cathey time to consult with the Finance Director to determine what the budget amount is and then go back and make an informed decision.

Commissioner Kuehler commented that Commissioner Baucom's amendment contained a number which the Sheriff would be held to. She said that she thought the Tuesday meeting would be a discussion on the number that Sheriff Cathey thought he could be held to. Chairman Openshaw asked if this were the case.

Commissioner Baucom responded that the amendment is the number that was recommended, while he did not know what that number was, and by approving the amendment today, it would allow the staff to proceed and to have numbers which to work and to make its presentation next week with the rating agencies. He stressed that the County has to be fiscally responsible.

Mr. Crook offered that it might be helpful to explain why these particular actions are before the Board today. He said that the Manager, as the Budget Officer, has certain delegated authority, and he can cut a certain amount from the Sheriff's budget. However, he said that because the amount that was being recommended for cuts was of such a nature that it would require the elimination of positions, the Board has to be involved in that decision.

At approximately 1:45 p.m., Commissioner Mills requested that the Board take a five-minute recess, which was granted by the Chairman.

The Chairman reconvened the meeting at approximately 1:53 p.m. and asked if the Board had any further discussion on Commissioner Baucom's amendment. Commissioner Baucom asked if reduction in force was in place with other County departments or if those departments could request to meet with the Board.

Mr. Greene noted that there is a department head meeting scheduled today at 3:00 p.m. to discuss with the department heads the specific positions that will be eliminated. He said those positions will be eliminated first thing on Friday morning. He explained that if any specific employee feels aggrieved by the reductions in force, the employee could appeal to the County Manager. He said that as stipulated in the County's Reduction in Force Policy, the only matters that the employees can appeal are whether or not the proper procedure was followed.

Chairman Openshaw requested that Commissioner Baucom repeat his amendment. Commissioner Baucom stated that the intent of the amendment is to keep the budget reductions within the Sheriff's Department irrespective of how the Sheriff chooses to make those reductions. He said if it is personnel reductions, that is within the latitude he would have or if it is in operations reductions, the dollar amount would stay within the Sheriff's budget rather than the Manager having to look to other departments to make the cuts that are being discussed.

Commissioner Kuehler added a point of clarification that it still means that it would be keeping the dollar amount assigned to the Sheriff, and he has no wiggle room within the dollar amount. Commissioner Baucom said that was correct.

Chairman Openshaw said he thought Commissioner Baucom's proposal was excellent, but after hearing Mr. Nelson's and the Sheriff's comments, he hated to lock in the dollar amount.

Chairman Openshaw called for a vote on Commissioner Baucom's amendment. The amendment failed by a vote of one to three. Commissioner Baucom voted in favor of the amendment. Chairman Openshaw, Commissioner Kuehler, and Commissioner Mills voted against the amendment. Vice Chair Rogers was not present.

The Chairman said it would go back to Commissioner Mills' motion. With there having been a considerable amount of time that had passed since Commissioner Mills had made the motion and it being unclear what the original motion had been, Mr. Crook suggested that Commissioner Mills withdraw his original motion and make a new motion.

Commissioner Mills offered a new motion to approve the elimination of one (1) position within the Register of Deeds' Office and to delay elimination of the second position within the Register of Deeds' Office until after a three-month review by staff. It further included that the Board meet with the Sheriff on Tuesday to receive recommendations on budgetary reductions in his office. Further included in the motion was that the balance of the funding for any of the eleven (11) positions not eliminated in the Sheriff's Office, as recommended by staff, be made up through recommendations by the Budget Officer (Manager).

Commissioner Baucom said that he understood the intent of Commissioner Mills' motion, but he would not support the motion because he thought the Board had been asked to meet today to take action. He stated that in his opinion, the Board was not doing the job it was elected to do. He said this is a terrible day in the annals of Union County, and there is no one here that likes what is occurring. He stated that he felt the responsibility for the Board to be judicious in its actions and to move forward and give staff direction to do what is necessary. He said that staff has worked diligently to bring the recommendations to the Board, and he thought for the Board to do any less was imprudent.

Commissioner Kuehler agreed that, yes, there is a Manager and the County has that form of government. However, she stated that she believed she was doing her job and what she was elected to do. She said that the Board was not delaying its decision on the recommended reductions to the Sheriff's budget, as was mentioned, past two to three days.

Chairman Openshaw said that he wholeheartedly agreed with Commissioner Kuehler, and it is the Board's responsibility.

Mr. Greene said that further significant reductions in general government at this time, as Mr. Nelson has explained, would impair general government.

Chairman Openshaw reiterated that there is no guarantee implied that the recommended cuts would not be made to the Sheriff's budget.

Chairman Openshaw repeated the motion to approve elimination of one (1) position in the Register of Deeds' Office with a three-month review on the second position and for the Board to meet with the Sheriff on Tuesday to hear his presentation on the impact of these budget cuts and for the Board to make its decision after that meeting on those reductions.

Mr. Crook asked for clarification if there was additional action included in the motion other than what was stated by the Chairman. Chairman Openshaw added that if a balance is needed in funding as a result of any of the eleven (11) positions not eliminated in the Sheriff's Office, as recommended by staff, that amount be made up through recommendations by the Budget Officer (Manager).

Commissioner Baucom asked for a point of clarification if the lack of budget reductions in the Register of Deeds' Office was to be made up from general government. Commissioner Mills responded "No." He said that it would wait three months on that decision.

The motion was passed by a vote of three to one. Chairman Openshaw, Commissioner Kuehler, and Commissioner Mills voted in favor of the motion. Commissioner Baucom voted against the motion. Vice Chair Rogers was not present.

The Board discussed when would be a convenient time for the Board to hear a presentation by the Sheriff. Commissioner Baucom stated that he was unable to meet on Tuesday, January 27, 2009. Chairman Openshaw said that Vice Chair Rogers was unable to meet on Monday, but she would be available to meet on Tuesday. He said that since Commissioner Baucom was unable to meet on Tuesday, he would not make his suggestion to complete the agenda items not discussed at the January 20th meeting on that date. He said that could be done at some other time in the future.

At approximately 2:04 p.m., Chairman Openshaw moved that the Board recess its special meeting of January 22, 2009, until Tuesday, January 27, 2009, at 10:00 a.m. in the Commissioners' Board Room, first floor, Union County Government Center.

Mr. Crook pointed out that the purposes of the recessed meeting would be the same purposes as for today's meeting, and if there were any additional items to be discussed at the meeting on Tuesday, notice of a special meeting of the Board would need to be given to state those purposes. Chairman Openshaw said that there were no additional items at this point for discussion at Tuesday's meeting.

Commissioner Baucom offered that to the employees being impacted by the reductions in force and to all of the employees of the County, he was sorry. He said that he wished the reductions were not necessary. He referred to a book he read a couple of years ago entitled "The Black Swan." He said the subject of the book was the probability of the improbable. He stated that this is a "Black Swan" event that the County is in, and the economic climate is a "Black Swan." He said he did not think anyone had predicted it to this level. He stated that these actions hurt the Board and the senior staff, but they are necessary. He said that the County would move forward and things would improve.

Chairman Openshaw thanked Commissioner Baucom for his comments and said that he would have been remiss in closing the meeting without expressing those sentiments.

With there being no further discussion, the motion passed by a vote of four to zero. Chairman Openshaw, Commissioner Baucom, Commissioner Kuehler, and Commissioner Mills voted in favor of the motion. Vice Chair Rogers was not present.