

THE COUNTY EDGE

Debt crisis to delay schools 'D' for a year

Layoffs a possibility

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MONROE - Monday night's (Nov. 3) Union County Board of Commissioners' meeting was unusually brief, but ominous.

Before ending the board meeting, Kai Nelson, county finance director, reminded the commissioners that Union County continues to face significant challenges regarding its debt. Nelson continues to devise a plan aimed at restructuring debt with a final draft expected within the next two to three weeks.

Union County's monthly borrowing costs has jumped from \$450,000 to \$680,000, marking a \$230,000 unbudgeted increase. The county currently has about \$288 million in variable rate debt with another \$314 million in fixed rate debt. What began at less than 2 percent variable rate has spiked as high as 8 percent with the fluctuation expected to continue. Last month's debt news prompted commissioners to issue a county hiring and spending freeze.

County Manager Al Greene told the commissioners that department heads have been asked to identify cuts to help ease the financial crunch. He stressed that while some departments might offer cuts, others could require more help.

"We don't want to take a shotgun approach," Greene said. "We want to look at each department individually so we can make better decisions."

Health-related departments are likely to experience a greater demand. Compound that demand with the decline in revenues from such departments as building inspections and the county's finance status looks direr.

Commissioner Kevin Pressley asked Greene if the situation could lead to personnel layoffs.

"We need to look at savings through attrition, ...not filling positions," Greene said. "But, I honestly can't rule that out."

Pressley said that county staffers had questioned him about their job security.

Nelson reminded commissioners that capital improvement projects are not secure. The August 2010, planned opening of middle and high school "D" in Hemby Bridge will be delayed a year. Construction bids were set for this month and December.

"That will not happen," Nelson said. "We would have to have cash in hand. (Schools) D is being delayed, more than likely, a year."

Don Hughes, schools' facilities director, acknowledged that he has shared Nelson's ominous warning with school leaders and prospective bidders.

"We have notified all bidders that funding for the project is in jeopardy," Hughes said.

He added that the timing is unfortunate since the current bidding climate is saving as much as 15 percent.

Schools "D" were expected to help relieve overcrowding in the Porter Ridge district.

"It's going to put a strain on Porter Ridge." Hughes said.