

MINUTES

LENOIR COUNTY BOARD OF COMMISSIONERS

April 20, 2015

The Lenoir County Board of Commissioners met in open session at 5:00 p.m. on Monday, April 20, 2015, in the Board of Commissioners' Main Meeting Room in the Lenoir County Courthouse at 130 S. Queen St., Kinston, NC.

Members present: Chairman Craig Hill, Vice-Chairman Jackie Brown and Commissioners, Roland Best, Mac Daughety, Reuben Davis, Eric Rouse and Linda Rouse Sutton.

Members Absent: None

Also present were: Michael W. Jarman, County Manager, Tommy Hollowell, Assistant County Manager, Martha Martin, Finance Officer, Vickie F. King, Clerk to the Board, Attorney Robert Griffin, members of the general public and news media.

Chairman Hill called the meeting to order at approximately 5:00 p.m. Ms. Brown offered the Invocation and Mr. Rouse led the audience in the Pledge of Allegiance.

Mr. Hill made a request to move the Resolution Honoring Haley Moody from under Budget Ordinance Amendments/Resolutions to Public Comments. Upon a motion by Ms. Sutton and a second by Ms. Brown, the request to move Item No. 2, Resolution Honoring Haley Moody, was unanimously approved.

**PUBLIC INFORMATION:**

Governor's Volunteer Service Awards, Lucy Marston, Lenoir County Tourism, stated, it gives me great pleasure to present the 2015 Governor's Volunteer Service Awards for Lenoir County. This is the 36th year that the State of North Carolina has presented this award. Governor McCrory has called on North Carolinians to renew our efforts in volunteering in our communities. We have no better resources in North Carolina than our people, neighbors, family, friends and coworkers. Just over 25% of the population in this state volunteers in some form and fashion, adding over \$5 billion in services to our economy. With the economy today, our needs could not be greater. Our recipients today have lived up to the true meaning and understanding of being a good neighbor everyday by setting an example for others. They show what it means to give of self, by giving of their time, talents, money, and by being an integral part of our active community. It's been said that service to others is the rent we pay here on earth.

I am pleased to introduce our two, 2015 Lenoir County Volunteer Service Awards recipients of the year. Our first recipient is Ms. Anne Durusky. She is receiving this award for her tireless efforts as the Director of Volunteer Services at Lenoir Memorial Hospital. She has worked in this capacity for 14 years. Among the multitude of things she does, she handles the special services and projects and oversees the teen volunteers during summer and Christmas breaks. Her enthusiasm for all of the programs creates a high level of excitement and commitment with the volunteers. She is truly an asset to our hospital and our community.

Our second recipient is Ms. Rita Hodges. She is receiving this award in the area of life time achievement. She has worked 34 years as an educator, 16 years as an administrator, 4 years as a School Board member, and 2 years as Chairman of the Lenoir County School Board. She has also served on the Board for the North Carolina State Committee for the Southern Association of Colleges.

Ms. Marston asked Ms. Durusky and Ms. Hodges to return to the podium. Ms. Marston stated, I have one more distinct pleasure this afternoon. I am thrilled and very excited to make this announcement. The State of North Carolina presents 20 Medallion Awards throughout the state recognizing volunteers. Lenoir County has only received this award once since its inception. This year it gives me great pleasure that both of our honorees are recipients. Rita is receiving a medallion for the Lifetime Achievement and Ann is receiving a medallion for Paid Directors of Volunteers. Both will receive the Medallion Award for Volunteer Service from Governor Pat McCrory at a reception held in May at the Old State Capital Building in Raleigh.

Mr. Hill stated, on behalf of all of the commissioners, we want to congratulate you and say how thankful we are for your services throughout the community. It has certainly made a difference in the lives of many people, and we appreciate all that you have done. May all of the volunteers in organizations, hospitals, and schools continue to enrich the lives of many people, and we thank you very much.

Ms. Sutton stated, it is an honor for me to present this Resolution honoring Haley Moody. The majority of times we recognize our more mature individuals, and today, to have the opportunity to honor a young lady possessing many distinct accomplishments, is great. Ms. Sutton read the Resolution.

Ms. Moody introduced her family and thanked the Board for honoring her with a Resolution. I would not be here today without the support of the community and family and friends. My first race will be this Sunday in memory of my dad at the Southern National Speedway and we will be running late models. Also, I am excited to have been accepted into the Surgical Tech program at Lenoir Community College.

Mr. Hill thanked all visiting guests for attending the meeting today.

## PUBLIC COMMENTS:

Resolution Opposing Sunday Hunting, Clyde Sutton, President Lenoir County Hunters' Association, stated, it came to my attention several weeks ago, a bill was being presented that would allow Sunday Hunting with guns. As president of the Lenoir County Hunters' Association, I was asked to take a stand. Our association had a meeting on Thursday to consider it from a membership standpoint. By almost a unanimous vote, we voted not to allow Sunday hunting with guns. A Resolution Opposing Sunday hunting with guns was drawn up by our paid lobbyist, that I would like to read. I urge you to approve this Resolution and send it to Raleigh immediately. Mr. Sutton read the Resolution. Upon a motion by Mr. Davis and a second by Mr. Daughety, the Resolution opposing Sunday hunting with guns was approved by a 6-1 vote with Mr. Rouse dissenting.

Mr. Rouse stated, this bill had been pulled today and the NRA, Farm Bureau, along with several other individuals in favor of this bill, stating it's a good thing.

Mr. Sutton stated, there are probably some things within the bill that might be good; however, when you add the Sunday Hunting to this Heritage Bill, I think it makes a big difference in what it stands for.

Mr. Rouse asked, don't we already hunt on Sundays?

Mr. Sutton replied, not with firearms.

Mr. Rouse stated, we do hunt on Sundays.

Mr. Sutton stated, with a bow, not a firearm.

Mr. Rouse asked, are you opposed to people hunting on their own private property?

Mr. Sutton replied, yes, with a gun. We are opposed to hunting with firearms on Sundays.

Mr. Rouse made a motion to table the Resolution until I am able to see the actual bill and I can see the finished product.

The motion dies for lack of a second.

Mr. Hill asked the Clerk to Call the Question: Daughety yes, Best yes, Davis yes, Hill yes, Brown yes, Sutton yes, Rouse no.

Resolution Asking the NC Marine Fisheries Commission (MFC) to Support the NC Division of Marine Fisheries (DMF) Use of the Supplement Process to Implement Reductions on Southern Flounder. Rob Bizzell, stated, this may appear to be an odd request, but it is not.

Southern Flounder fishing has depleted this resource and restocks are being depleted and over fished. A review of the management program shows it is failing to restore the stock. There has been a move by the secretary of DENHR and the director of Marine Fisheries to block that supplement. The blocking of the supplement is coming out of Dare County, because it directly affects their residents and income. This also affects our income and quality of life. In 2014, Lenoir County sold over 8,100 salt water fish licenses, which does not include those of us that have been grandfathered in. That makes Lenoir County the 9th highest county in the state for the sale of salt water fishing licenses. I promise you, we don't have the 9th highest number of salt water fisherman living in Lenoir County. What we have are people that travel from the western part of the state down to our coast. They are stopping in Lenoir County to buy their license, bait, gear, groceries, gas and meals. This has a direct economic impact on our County. If Southern Flounder go down to levels that would prohibit fishing for them, you would not have these people going down through here. In regards to the big three, Southern Flounder, there is a limit of 6 per day, Speckled Trout has a limit of 4 per day, and Red Drum have a limit of 1 per day. They are cutting the amount of fish that a fisherman can catch by more than half. People will eventually think twice about going to the coast for these fish. These are sound management principles that we need to encourage the Division to adopt and enforce. It is a public trust resource because this fish does not belong to the people of the coastal counties, it belong to all of you, and the people in Watauga County. We need to be responsible and look past those people saying the fish are not over fished, and they are plentiful. I urge you to adopt this Resolution for the resource, the economic benefit and the life benefit for our citizens. Upon a motion by Mr. Davis and a second by Ms. Sutton, the Resolution asking the NC Marine Fisheries Commission (MFC) to support the NC Division of Marine Fisheries (DMF) use of the Supplement Process to Implement Reductions on Southern Flounder was unanimously approved.

### **CONSENT AGENDA:**

1. Approval of Minutes: Regular Board Meeting: April 06, 2015.  
Special Called Meeting: March 30, 2015.  
Board of Commissioners & Board of Education Joint Meeting:  
March 9, 2015.

Upon a motion by Ms. Brown and a second by Ms. Sutton, the consent agenda was unanimously approved.

### **BUDGET ORDINANCE AMENDMENTS/RESOLUTIONS:**

Item No. 3 was a Resolution requesting the North Carolina DOT to fund the US Hwy 70 Havelock Bypass. Ms. Sutton stated, I am bringing this Resolution to you as a recommendation from the Hwy70 Corridor Committee. This same Resolution has been passed in several other counties.

I think this is one of those points where we have to work together being good neighbors to get things accomplished. Ms. Sutton read the Resolution. Upon a motion by Mr. Rouse and a second by Mr. Davis, Item No. 3 was unanimously approved.

Item No. 4 was a Resolution declaring property as surplus and authorizing the sale of the surplus property by auction. Mike Wiggins, Maintenance Director, stated, the Emergency Services Department has three wheelchair vans and five ambulances with chassis only, which have outlived their useful life. These vehicles are no longer of use to any County Department and there are no plans to put them back into service. I am requesting the approval of the Board to sell the vehicles by auction on GovDeals.com. Proceeds resulting from the sale of these vehicles, less expenses, will be appropriated to the Vehicle Replacement Fund. Upon a motion by Mr. Rouse and a second by Mr. Best, Item No. 4 was unanimously approved.

Item No. 5 was a Resolution authorizing a purchase order execution to Maximus, Inc. for the annual Cost Allocation Plan and EMS Medicaid Reimbursement Report in the amount of \$5,750.00. Martha Martin, Finance Director, stated, the Board is requested to authorize the execution of a purchase order to Maximus, Inc. for preparation of Lenoir County's Cost Allocation Plan and the EMS Medicaid Reimbursement Report in the amount of \$5,750.00, and authorize the County Manager to execute the contract associated with this purchase order. The Indirect Cost Allocation Plan is very important to the Department of Social Services, because it determines the allowable costs incurred by the County to support and administer Federal programs. The EMS Report is also vital to the Emergency Services Department, since it is the basis of the annual EMS Medicaid Reimbursement. . Upon a motion by Mr. Daughety and a second by Ms. Sutton, Item No. 5 was unanimously approved.

Item No. 6 was a Resolution approving a purchase order execution for the actuarial valuation of the health care plan of Lenoir County with Cavanaugh Macdonald Consulting, LLC. In 2004, the Government Accounting Standards Board (GASB) issued Statements 43 and 45 regarding the accounting and reporting requirements for "Other Post-Employment Benefits" (OPEB). An actuarial study of Lenoir County's post-employment benefits is required to be conducted under GASB Statements 43 and 55. Preparation of the study was phased in over a three year period based on the size of the unit of government. The Board can use these studies to assess the future liability of the County's post-employment benefits package and determine if changes need to be made to the plan. Upon a motion by Ms. Brown and a second by Ms. Sutton, Item No. 6 was unanimously approved.

Item No. 7 was a Resolution adopting Recipient's Plan to further fair housing. Martha Martin, Finance Director, stated, Lenoir County has been involved in Community Development Block Grant projects with the State for a number of years. As each cycle of grant funding is awarded, there are certain policies and guidelines that have to be adopted.

The current recipient's plan to further fair housing needs to be approved in order to meet the requirements of the Community Development Block Grant programs. Upon a motion by Ms. Brown and a second by Mr. Best, Item No. 7 was unanimously approved.

Item No. 8 was a Resolution approving acceptance of a proposal and execution of a contract for independent audit services with Carr, Riggs & Ingram, LLC, of LaGrange, NC. Martha Martin, Finance Director, stated, the County is required to complete an annual audit of its financial statements and practices. A Request for Proposal (RFP) was posted on the County's website on March 3, 2014. Pittard, Perry, & Crone, Inc., now Carr, Riggs & Ingram, LLC has been the County's auditor for twenty (20) years and is well qualified to conduct the County's audit in compliance with all governmental accounting standards. Upon a motion by Mr. Daughety and a second by Mr. Best, Item No. 8 was unanimously approved.

Item No. 9 was a Budget Ordinance Amendment: Transportation: Administration: \$53,041.00. Increase. Chris Harper, Transit Director, stated, this amendment is to appropriate additional revenues from the sale of vehicles and appropriate those funds in expenditure lines, where additional spending has been approved by the commissioners, as well as other lines where additional funding is needed. We are very fortunate to have sold these vehicles at such high prices. Upon a motion by Mr. Davis and a second by Mr. Sutton, Item No. 9 was unanimously approved.

Item No. 10 was a Resolution approving appointments of citizens to boards, commissions, etc. Chairman Hill stated, there are no applicants, so no action is required at this time.

**CURRENT VACANCIES: Lenoir County Health Board – (1) Optometrist, (1) Member, Equalization & Review (1), Lenoir County Parks & Recreation (1).**

Item No. 11 was items from the County Manager, Mike Jarman. Mr. Jarman stated, the items before you are self explanatory, the Financial Performance Summary, CDBG Quarterly Progress Report, and the Inspections & Permit Reports. The only thing I have by way of a reminder is our next budget work session will be May 18, 2015, at 3:00p.m.

Mr. Best stated, I attended the NCACC District Meeting on April 9, 2015, in Onslow County. The overall meeting was great with 11 out of 12 counties being represented. We were able to tour the new Onslow County Government Office Complex. They made an announcement regarding Rebecca Troutman's retirement from the NCACC. Everyone is encouraged to attend County Assembly Day, Wednesday, May 6, 2015.

Ms. Brown stated, Mr. Jarman should receive the budget from DSS soon.

Mr. Davis commended the City Council, Mayor and others that had a role in recruiting a baseball team to the City of Kinston. I was told there are real close to finalizing the deal.

Mr. Jarman stated, Bill Ellis had a lot to do with it also.

Ms. Sutton stated, citizens of the Pink Hill community recently held a meeting to set goals for some upcoming fundraisers. The meeting was very positive.

Ms. Brown stated, during the month of May, DSS will be promoting Older Awareness Month and recognizing seniors with a celebration at the Nature Center. The Elder Abuse Walk will take place June 15<sup>th</sup> at the Veterans' Home on Hull Road in Kinston and lunch will be provided.

Ms. Sutton mentioned during the visit to the LCPS Transportation Department, Anthony Mitchell, Director, shared information regarding the new cameras that were placed on the buses. He mentioned in one day there were 18 people who failed to stop for the school buses as they were picking up students. The cameras captured views from the front and rear of the vehicles.

Mr. Jarman stated, if anyone is attending National Assembly Day, let Vickie know so she can pre-register you.

Mr. Rouse asked, if there is a date set for the Ethics Training webinar?

Mr. Jarman replied, I will let you know once we receive the information.

Mr. Hill stated, some of us have been able to visit 13 of our school sites. We have several more sites we will be visiting next week. On Monday we will tour Southeast, Northeast and Teachers Memorial. On Tuesday we will conclude our visits with Pink Hill, South Lenoir and Moss Hill. Some of the commissioners have been on all visits and other have made a few. This has truly been an eye opening experience for us. We were able to have critical conversations with our folks from the schools, and I think it's been a very positive involvement. Also, I want us to continue to keep an eye on the shift from property tax to sales tax. I want all of us to be aware of the shifting and how it impacts our budget now and in the future. LMH has made the decision to partner with Novant and is in the final stages preparing for the announcement. I appreciate the participation and work on everyone's behalf and we certainly are earning our keep this month. Our meetings on the budget are really critical, so I thank you for your time.

Meeting Adjourned at 5:50 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Vickie F. King". The signature is written in dark ink and is positioned above the typed name and title.

Vickie F. King  
Clerk to the Board

MINUTES  
LENOIR COUNTY BOARD OF COMMISSIONERS  
BUDGET PLANNING WORK SESSION  
ADMINISTRATION BUILDING CONFERENCE ROOM  
APRIL 20, 2015

The Lenoir County Board of Commissioners began their scheduled Budget Work Session on Monday, April 20, 2014, at 3:00 p.m., at the Administration Building Conference Room, 101 North Queen Street, Kinston, NC.

Members present included: Chairman Craig Hill; Vice Chairman; Jackie Brown and Commissioners; Roland Best, J. Mac Daughety, Reuben Davis, Eric Rouse, and Linda Rouse-Sutton.

Members Absent: None

Also present were: Michael W. Jarman, County Manager; Tommy Hollowell, Assistant County Manager; Martha Martin, Finance Officer; Vickie F. King, Clerk to the Board; Emergency Management Director, Roger Dail, Jerry Henderson, SPCA, Director, Steve Jefferson, Community Council for the Arts, Board President, John McPhaul, Community Council for the Arts, Board Treasurer, and media.

Mr. Jerry Henderson, President of the local SPCA, acknowledged the members of the SPCA Board of Directors that were present at the meeting. He stated, I would like to make today's meeting very positive. We appreciate how Lenoir County has agreed to take over the maintenance issues at the SPCA. I would like to thank Mr. Wiggins, Maintenance Director, and his staff for their contributions to the shelter. He briefly explained the operational methods for the shelter. The county animal shelter functions in the interest of the public by providing a temporary place to house lost and unwanted animals. This protects the public from aggressive animals, keeps strays from causing motor vehicle accidents, helps control rabies, prevents excess numbers of homeless animals from roaming neighborhoods, and allows owners the opportunity to claim lost pets. Animals are brought to the shelter by animal control and law enforcement officers, as well as by the public. Of the animals that were brought to the shelter in 2014, 4% were returned to their owners, 24% were adopted by local people, 29% were carried out of state by the SPCA funded rescue program, and 47% were euthanized.

Fifty of fifty-two Saturdays a year, our volunteers transport some of our community's homeless animals to other reputable animal rescue organizations in the northern U.S. The reason we do this is because other states have found success with strategies such as pet registration and spay/neuter laws to humanely reduce the number of unwanted animals. Adoptions and rescues saved the local government almost \$30,000 last year by not having to euthanize these animals, and more importantly it saved the lives of animals whose only crime was being lost or unwanted. It cost about \$16,000-17,000 a month to care for the unwanted animals. The City of Kinston provides \$22,500 a year, Lenoir County provides \$120,000 a year plus a maintenance budget of \$20,000. Additional costs are paid from donations by the public and fundraising efforts, which cover unfunded mandated expenses. In the past year we have visited local shelters in Johnston, Craven and Carteret Counties for quality improvement purposes and ideas on how we can better serve the community. Since working with Joey Huff for the last four years, we have developed an accounting system that separates shelter expenses required by regulatory guidelines and SPCA related expenses. Our request today based on actual data, shows the cost of operating the shelter is almost \$200,000 a year. This year we are requesting \$196,150 from Lenoir County and the City of Kinston, which is a decrease of 3.73% from last year. This year we were fortunate enough to receive two sizeable grants, one from Pedigree and the other from Toyota. Since the SPCA is essentially providing a contracted service for the county by running the shelter, we are only requesting appropriate funding for animal care and facility operations based on regulatory requirements. We still hold a vision of a new facility with fewer daily operating problems that can provide an appropriate environment for staff and the public. We look forward to a puppy room which allows birthing, care, and protection of our more vulnerable animals. We would like to be able to raise enough funds to build a new shelter and work with the County. We are proud of the partnership we have developed over the past few years and think it's working well, but we still need to look to fund all mandated expenses. The SPCA has a vision for a new shelter on land owned by the SPCA. We hope to raise the necessary funds for construction, but cannot continue to pay a large portion of the mandated operating costs as we do now. It is apparent that we are operating a very old shelter and maintenance costs will continue to rise. A larger and more modern shelter is needed to reduce daily operating and maintenance costs, and to better accommodate the number of animals we have in this community. To make the new shelter possible we must continue to work together. We truly appreciate your support and look forward to continuing our partnership to serve the citizens and companion animals of Lenoir County. I will be glad to answer any questions at this time.

Mr. Best asked, what was the amount of the grant SPCA received from Toyota?

Mr. Henderson replied, \$10,000.

Mr. Hill asked, if he knew the estimated cost to build a new facility?

Mr. Henderson replied it would depend on the size of the facility. About four years ago, we hired an architect to perform a survey and he gave us a quote of \$2 million. That particular plan would accommodate all of the animals and the projected growth for our population.

Mr. Huff stated, we have a 40 year old shelter that is getting older every day and is in need of some improvements. Serious discussion and long range plans regarding the future of a new shelter are needed by this group. There are pending legislations that eventually we will have to deal with that will create additional costs for the facility. The puppy room is an on-going top priority of the SPCA Board. Our plans were, if we did not spend all of our capital improvement funds, maybe we could shift some funds and start the construction of a puppy room addition. The concept was, if the County would build the shell portion, the SPCA would fill in the inside and provide the appropriate kennels for the puppies. A puppy room is needed because we have to treat puppies differently than the rest of the animal population at the shelter. One might ask why we would invest \$50,000 in a 40 year old building that is worn out? The answer is, we don't have any other option, and maybe this would relieve some of the stress on the existing building. Perhaps, it will make things a little more efficient for the staff to be able to move the puppies into a separate facility and extend the life of the building for the next couple of years, while there can be some discussion regarding the future plans for a new facility. If I am to act as a liaison and advisor in this capacity for the city and county, we need to get together because there are major problems with turnover in management. Hopefully soon, we can get together to discuss those two critical issues.

Mr. Davis asked, if you decided to build a new shelter, would you vacate the existing shelter?

Mr. Henderson replied, it would depend on several factors.

Mr. Hill thanked Mr. Henderson and his board of directors for attending the meeting.

Mr. Steve Jefferson, Community Council for the Arts, Board President, thanked the board for this opportunity. We realize the County has zero responsibility in funding the Arts Council. However, we appreciate everything you have done for us over the years, it is appreciated and needed. We are a 50 year old organization, that recently celebrated our 50<sup>th</sup> birthday in a land mark building we've occupied for over 25 years. All of our programming is done by grants. Last year about \$50,000 of the grant money was given to LCPS, primarily Rochelle Middle School. Mr. McPhaul stated, that amount was more than half of the grant money they took in which was \$80,000.

Mr. Jefferson stated, last year we received a grant from the Cannon Foundation, which allowed us to update our fire, sprinkler and alarm systems. This was required by the City of Kinston. If repairs are needed for any part of the facility, it is an expense we are responsible for. We still have our original carpet and telephones, so we try to be good stewards of the money we receive. We have gone from 8 to 2 full-time employees over the last 15 years. The Arts Council does not have any permanent employee's, only temporary with over 50 volunteers that we depend heavily upon.

Mr. John McPhaul, Community Council for the Arts, Board Treasurer, thanked the Board for their help over the years. The contributions represent less than 2% of our overall budget. Two key areas for funding the Arts Council are typically generated through fundraising efforts and memberships. Grants help with programming like schools and things of that nature, but they don't help us operationally, or to generate revenue. That is always the constant challenge of how to generate revenue to run the operation. At this time, we are asking for an increase from \$7,500 to \$10,000. The amount we get from Lenoir County and the City of Kinston represents about 7% of our overall budget and we are trying to get it to 10%. The Arts Council is very instrumental in the development of downtown Kinston. The African Music Trail will have a hub with our own music park, which will be a wonderful thing, and the Arts Council has been a big part of that. We are thankful and humble and hope that you will consider our request and continue to help us be a part of the revitalization of downtown Kinston and Lenoir County.

Mr. Jefferson stated, we had about 95,000 people who came through the Arts Council last year from different states and countries. We have an unbelievable facility, a first rate attraction with the largest collection of public art in the state.

Mr. Daughety asked how much funding do you receive from the City of Kinston?

Mr. Jefferson replied, \$25,000 and we are asking for \$30,000 this year.

Mr. Hill thanked Mr. Jefferson and Mr. McPhaul for their presentation.

Mr. Roger Dail, EMS Director, stated, the North Lenoir Volunteer Fire/Rescue Department has asked for a .0125 cent tax increase. The additional revenue generated from the increase is needed to improve the water supply availability across the district. Only 60% of the district is currently located within 1000 ft of a rated fire hydrant. They estimate, that over the next 5 years, this rate increase will allow them to add enough hydrants to cover over 85% of the current district and provide a decrease in insurance premiums for a majority of the 40% of residents that currently do not receive this benefit. Fire departments have ratings they maintain in their fire district, which helps homeowners save money on their homeowner's insurance.

The lower the ISO rating, the lower individual homeowner's insurance will be. About two years ago, North Lenoir decided they were going to try and get their district reclassified, and they did. Their rating went to a 5/9, which meant if you are within 1000 ft of a fire hydrant, you received your premium based off of the 5 rating. If you were not within the 1000 ft, your rating was set at a 9, which would cost you more depending upon the value of your property. Most of our counties especially on the south side have straight ratings. At this time North Lenoir is asking to raise the fire tax so they can purchase several fire hydrants. The fire hydrants would be installed on North Lenoir Water Corporation's water line. That will increase the number of hydrants in their district, which would in turn lower more people's fire insurance. Currently about 6% of the district is covered and about 40% does not have this benefit. They have proposed a five year plan, where they would pay this money and install the fire hydrants. In talking with the North Lenoir Fire Department, the only concern I have is, we don't want the fire department getting into upgrading North Lenoir Water Company's infrastructure, because we should not be replacing or extending water lines. In talking to North Lenoir, they stated, if the Board grants this request, they will enter into a written contract with North Lenoir Water Corporation and cover those concerns we outlined. I have met with Franklin Floyd, Treasurer of North Lenoir Fire Department, and they are modeling this from a fire department out of Goldsboro, North Carolina. This is a fine project and if approved you will probably see more requests coming.

Mr. Rouse stated, I see a lot of benefits and it's a great program, I see the potential, my concern is the extra tax that will be put on the community specifically the 60% who's already at a 5 rating. I see no appreciable gain other than the benefit to the 40%. I've talked with them at length about this and I also mentioned it on a state and congressional level. Personally, I would benefit from this program, because I do not live within 1000 ft of a hydrant and it would save me on my insurance per year. After five years, they are talking about phasing it back down. I think there will have to be some sort of measure in place to insure that North Lenoir Water Company does not come back saying they can no longer use our hydrants. My major concern is the tax increase that 60% of the people fall under.

Mr. Hill asked, who put the current hydrants in place?

Mr. Rouse replied, North Lenoir Water Corporation.

Mr. Hill asked, did that impact the fire tax?

Mr. Rouse replied, no. Some citizens in the past have purchased and installed their own hydrants to get their rating down.

Mr. Davis asked, Mr. Rouse did he think the general population in the North Lenoir district would support this request?

Mr. Rouse stated, I met with them last Wednesday, and I proposed they use their current fund balance because North Lenoir will probably be requesting a truck within the next couple of years, if not sooner. I asked them could they phase this in over a ten year period instead of a five year period and work it within their current budget. People in my district are pretty excited about the current tax rate, so I don't think it would garner a favorable reception, even though it would benefit me. I would like to forego it or at least see our tax rate on the decrease. I would really like to see the results of the request I made on the state and congressional level. We will see if there is some DEHNR money and talk to the state and see if we can get some money from the house or the senate side. I think it's a beneficial program, but there is a lot to consider, because if I were getting taxed for something I already had, I would see no gain and that would upset me.

Mr. Davis stated, it would probably be a very minimal amount per citizen or tax payer in that district because of the low figure.

Mr. Rouse asked, is there any type of conflict with me since I own property in that area?

Mr. Hill and Mr. Jarman replied, they did not feel there was a conflict with him being a part of the discussion.

Mr. Hill stated, the 40% of the citizens there that don't have the benefit of lower fire insurance rate would certainly gain, if you look at what the exchange would be for their increase in tax compared to the dollars they would recover with their insurance. Rolling that money back into the economy in some way probably will be close to a wash in a lot of ways. We need to make sure the people that are making decisions and providing services are the ones being taxed. I understand there are some diversions, but is this something the Board supports and how do we move forward? I am certainly not going to say on one hand take money away, and on the other say you brought a project you believe in and you want to increase or reduce the taxes and take the ability away. So right now it's a double edged sword for me, and I need more information and time to digest.

Mr. Jarman stated, North Lenoir had mentioned to Roger they would like to present it to this Board. They can put together a presentation and present it at the next commissioners' meeting. I think they already have a power point available. As for it benefiting some and not all, I understand their point and I will point out, we will always have that, just like we fund education but not everyone has a child in education. I think the tax rate affects everyone here.

Mr. Rouse asked, should I vote since this affects me. The word got out pretty quick after the business meeting and people were not too happy about it. I started getting phone calls the next day.

Mr. Jarman stated, I think you will be able to vote and participate.

Mr. Dail stated, the comments being made to me are that many feel like the fire tax is the fairest tax. There might be a few here and there that don't want to pay taxes, but from a fire tax stand point, I've received positive feedback.

Mr. Rouse stated, since we had a wind fall in the budget can't we apply some of the \$300,000 we banked from last year toward this project?

Mr. Jarman stated, we did have a good year last year and we did put some money in fund balance, but the Board instructed us to try and let the user of the services pay for the service whether its fees or taxes, so if we go to that fund it's all your general taxes.

Mr. Rouse asked, wouldn't that benefit the whole County and the industrial parks as well talking about increasing their rates? Would there be matching funds available, if I was to get assistance from the congressional or state level?

Mr. Hill stated, in my personal opinion only if it were being applied to the entire County, all districts.

Mr. Jarman stated, if you take funds from the general fund monies, we will be contradicting the actions we've taken over the last several years trying to make the users of the services be responsible. I would recommend against using the general funds for this project. Also, if you are getting phone calls, ask them to call Roger or our office so that we can log it and get a feel of how the public is viewing things. Otherwise we won't know.

Mr. Rouse stated, everyone will not do that.

Mr. Jarman asked, would the Board like for North Lenoir to present at the May 4<sup>th</sup> 9:00 am meeting, because our time is getting short if you are going to do something in this budget?

Mr. Hill replied, yes, more information will be helpful.

Mr. Rouse stated, I will forward a copy of the power point information to the commissioners within the next few days.

Mr. Davis stated, I received calls from North Lenoir Fire Department last week and I am not in favor of personal solicitation since we have the fire district taxation. Also, I would like to know they are truly from the fire department before making donations to them.

Mr. Dail replied, normally we ask them to notify our office so we can be aware of any fund raisers.

Mr. Jarman stated, I met with Judy Hills, Executive Director, with Eastern Carolina Council. She wanted this information presented to the Board again. We made the decision about two years ago that we would pay for our Rural Planning Organization (RPO) and the ageing portion of the dues. The total dues they sent a request for was \$17,827.00 and that's based on population, the portion for ageing is \$10,342.00 and the RPO is \$5,782.00, so the difference from what they are asking is \$1,703.00. We choose to save the \$1,703.00. You will see from her letter she talks about the benefits, and how people realize sometimes they are hard to measure. I placed some paperwork on the table for your review that details some of their benefits, things they have done, and comments from people in Lenoir County. This is for information purposes and if we choose to take a different stance, we can talk about it. I think we made the right decision. We can talk about this more or you can read the information and if you have further conversation, you can comment, but her request was for me to get the information to the Board.

Mr. Jarman stated, we had a question regarding longevity. We discussed longevity, benefits and a salary study that showed our County being about 10% behind the market. Mr. Jarman shared a Lenoir County Benefit Comparison that was conducted by Human Resources. First, we compared benefit information with contiguous counties, those neighboring counties that we struggle to compete with in the actual labor market. These Counties included Craven, Wayne and Pitt. Secondly, we compared benefit information with comparable counties in North Carolina with similar populations, budgets, tax rates, tax base and number of employees. These Counties included Columbus, Duplin, Edgecombe, Franklin, Granville, Lee, Sampson and Stanly. Mr. Jarman shared information from the 2015 Questionnaire Tally of Respondent Counties and some of the main things that came from the benefit study. Lenoir County's Longevity Plan is among the lower plans offered by those Counties in the Salary Study. In conclusion, six of the Counties in the study offer a 457 Plan, which allows full time and part time employees the opportunity to contribute to a retirement account. Lenoir County offers an employer contribution of 5% to a 401K Plan which was the most common percentage utilized by the counties studied. Lenoir County does require the employee to contribute to their Individual Health Insurance Premium. Seven of the counties surveyed do not require an employee contribution. Lenoir County is one of the five counties in the survey that has a 37.5 hour or a combination of 37.5 and 40 hour work week schedule. Seven counties have 40 hours work weeks.

Lenoir County, along with 10 other Counties in the Study, does not allow new employees to transfer in Annual Leave from another State or Local Government employer. Lenoir County, along with nine other Counties in the Study, limits the accrual of annual leave to the years of service in the County. Two of the Counties in the Study count the total years of service in one or more of the State and Local Government Retirement Systems. The latter model is a more proactive approach for recruiting knowledgeable, skilled, talented, and experienced employees. Lenoir County's Annual Leave Accrual rates compare with the most common accrual rates for Annual Leave in those Counties in this survey. All counties in the study allow employees to earn 12 sick days per year.

All of the Counties in the Study allow employees coming to work with prior experience in another County or State agency to transfer in sick leave balances. Six Counties in the survey offer 12 paid holidays every year. Lenoir County was included in this group. Twelve was the most common number of holidays offered. I think overall Lenoir County offers a good benefit package, although I would have said it was stronger than most prior to the study. Our longevity rate is lower than the others, but everything else did compare favorably. I think we do a good job on benefits. We are not looking or asking for an increase but we also are not looking to decrease anything, because our salaries are behind and the benefits mean a lot to the employees and I think we do a good job with what we provide. The study basically shows we are not being unreasonable, we are providing things that are fair, and this is where we are. Does anyone have any questions?

Mr. Hill stated, at one of the recent training sessions, the question was asked if a County did an outside study of their salaries, what would be the cost and the number was around \$45,000-\$55,000, which is a pretty significant amount, but that is the only way you are going to get actual numbers. I appreciate the information because it is very helpful.

Mr. Jarman shared information from the Health Insurance Worksheet. He mentioned that we have been at the same rate for several years. Our fund balance has gotten to the point where we have to do something in order to maintain and keep up with claims. We are self insured with a third party administrator that oversees it, and that fund balance has gotten into a dangerous position. At this time I will ask Tommy Hollowell to explain the worksheet.

Tommy Hollowell, stated, this worksheet provides four different scenarios. Every year our outcome depends on our claims. For about 14 years we have used \$6,453 per person on an annualized basis as the County contribution. Mr. Hollowell shared information regarding current and increased cost, for employee, family, employee/spouse, and employee/1 child. The amounts increased by \$10 and \$20 dollars for employee only, by \$25 and \$50 for family, employee/spouse, and employee/1 child. We have been self insured other than the time we went with the County Commissioners Association Pool for one year. At that time they came in and gave us a great rate, which saved us a tremendous amount of money, but the year was a bad year for the pool because of high claims in other counties, so we went back to being self insured. Using the \$6,453 annual contribution we did not change for a number of years and we were able to build a fund balance in the insurance fund. Those funds can only be used to pay insurance claims and administrative costs. Until about two years ago, we had around \$2 million in the fund balance, which was a healthy amount for us to maintain. Currently, as of today, we are at \$619,000 in fund balance. Since our fund balance has dropped to a low point, we need to build it back up. Mr. Hollowell shared the four scenarios we are looking at to build the fund balance to where we have a comfortable safety net.

Once again, this is all claims driven and we could have a really good claims year and our fund balance can grow or we can have a bad year and the fund balance can be worse than this. Med Cost our third party administrator, who handles our claims, does an outstanding job for us. They pay all of our claims, provide case managers for large claims, and they keep us in compliance with the Affordable Care Act. We could not pay a salary for what we pay Med Cost for administering our claims.

Mr. Jarman stated, we also work with wellness type plans to try to keep the cost and claims down and employees have done good with that. When we make this change we are making it to get the fund balance up. So if this fund balance gets way up over million dollars, we can adjust. Like Mr. Hollowell said, each year at the budget we can address it. But at this point we have to cover our claims. The decision we need from this Board is to be able make the increase. Staff has met with administrators and \$7,500 was the recommendation from both groups and that is the employees paying the same amount. We welcome input from the Board.

Mr. Rouse asked, what was the retirees' column?

Mr. Hollowell replied, if an employee retired with full 25 years, and they are over 60, or 30 years plus at any age, you can maintain county insurance to age 65, or Medicare eligible.

Mr. Rouse asked, why county employees are only paying \$20 a month for insurance?

Mr. Hollowell replied, for a long time they did not have to contribute anything.

Mr. Jarman stated, in seven other counties, retirees do not pay anything.

Mr. Rouse asked, how does this compare with Obama Care?

Mr. Hollowell stated, if you have over 50 employees you have to offer health insurance. We have a plan that is grandfathered in and is a qualifying plan so that we don't have to change. It's at a level that's considered affordable.

Mr. Hill asked, if administration was recommending we move county contribution from \$6,453 to \$7,500?

Mr. Jarman replied, yes.

Mr. Rouse stated, since \$20 is cheap why don't we go up to \$40 which is very economical.

Mr. Davis stated, since the County is already 10% lower in salaries I feel we should remain on the self insured program as long as things are going well without the large increase for the employees.

Ms. Sutton stated, that has always been the trade off, good benefits with the lower salary.

Mr. Davis stated, I think it would be remiss in increasing employee contribution, since we are already 10% lower on salaries in comparable counties.

Mr. Hill stated, my personal feeling on this is when we increase the County portion by almost \$1,147 I think it's a fair deal to increase the employee amount because it is a shared responsibility.

Mr. Best stated, it's not good to double the employee amount at once from \$20 - \$40.

Mr. Rouse asked, how are the numbers determined because they do not look like the same percentage?

Mr. Hollowell stated, I did not want to kill the employees with low salaries.

Mr. Rouse stated, we don't want to kill the county tax payers either.

Mr. Hollowell stated, everyone in the room are tax payers and when you have employees only making \$16,000 and \$17,000 dollars, going from \$20 to \$40, can be a burden.

Mr. Rouse asked, do we have it in our policy that if they are offered health care somewhere else they have to take that insurance someplace else.

Mr. Hollowell replied, yes if their spouse has access to coverage elsewhere, they can't be on ours.

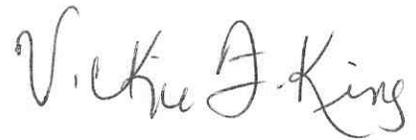
Mr. Daughety made a motion and a second by Mr. Rouse, to adopt the gray area of the Health Insurance Worksheet being the following: employee cost \$40, family \$400, employee/spouse \$350, and employee/1 child \$180. Mr. Hill asked the Clerk to Call the Question:

Mr. Best no, Mr. Davis no, Mr. Daughety yes, Ms. Brown, yes, Mr. Hill, yes, Ms. Sutton no, Mr. Rouse yes.

Mr. Jarman announced that Mr. Tommy Hollowell will be retiring at the end of this month. I thank him for all of his fine work and everything he has done and meant to Lenoir County.

Recessed at 5:00 P.M.

Respectfully submitted,

A handwritten signature in cursive script that reads "Vickie F. King". The signature is written in black ink and is positioned above the printed name and title.

Vickie F. King  
Clerk to the Board