

**MINUTES**

**LENOIR COUNTY BOARD OF COMMISSIONERS**

**May 2, 2016**

The Lenoir County Board of Commissioners met in open session at 9:00 a.m. on Monday, May 02, 2016, 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, Commissioners, Roland Best, Mac Daughety, Reuben Davis, Eric Rouse, and Linda Rouse Sutton.

Members Absent: None

Also present were: Michael W. Jarman, County Manager, Tracy Chestnutt, Finance Officer, Vickie F. King, Clerk to the Board, Joey Bryan, MIS Director, Robert Griffin, County Attorney, members of the general public and news media.

Chairman Hill called the meeting to order at approximately 9:00 a.m. Ms. Brown offered the Invocation and Mr. Daughety led the audience in the Pledge of Allegiance. Mr. Hill stated if it's ok with the Board he would like to move Item No. 4 Presentation of Badge and Service Weapon to Lieutenant Jeffery Allen Herring to the front of the agenda, and for everyone to take a moment to remember the volunteer firefighter that was killed in a fire this weekend outside of Charlotte/Mecklenburg County.

Item No. 4 was a Resolution Approving Presentation of Badge and Service Weapon to Retiring Lieutenant Jeffery Allen Herring. Sheriff Ingram stated Lt. Herring began his law enforcement career with the Lenoir County Sheriff's Office on September 29, 1991. In 2013 Lt. Herring had a work related injury which caused him to retire early but was approved by the North Carolina Retirement System to retire with his 25 years of service. Lt. Herring has served in numerous capacities in his many years with the Sheriff's Office ranging from Detention Officer, Deputy Sheriff, Field Training Officer, Detective, Sergeant of Detectives and Patrol Division Lieutenant. In his years of service, Lt. Herring has proudly dedicated his adult life and career to arresting criminals who had violated the law and working to provide safety for the citizens of Lenoir County. Upon a motion by Ms. Sutton and a second by Mr. Best, Item No. 4 was unanimously approved.

Mr. Hill thanked Lieutenant Herring for his time of service with Lenoir County Sheriff's Department, and the service he has provided to the citizens of Lenoir County and we wish you the very best moving forward and enjoy retirement.

**PUBLIC INFORMATION:**

Brent Williams, Superintendent, Lenoir County Public Schools, stated he wanted to mention some key points and additional concerns he has regarding finances. Overall as a Board, they have been struggling with the challenge of doing more with less.

He accepts fully that they need to do more with less and they need to make hard decisions about what they can't do or do less than they have been doing. Since there is not magic money available the challenge is how to continue to provide the best educational opportunities for the students in every school throughout the county while working with existing resources. Mr. Williams stated he appreciates the support the County Commissioners have given in the past and he look forward to a continued partnership. LCPS values the commissioners as individual members and the support that they show out in the schools daily. They are very excited and optimistic about the partnership between the schools and county commissioners moving forward and he truly believes the best days are ahead of them. If one only needs proof of that then he or she can go into any classroom in any one of our schools and see the young people and that would serve as powerful proof that our best days are ahead. One key factor that they have been battling with as they moved through the budget process has been a reduction of 247 students, and everything in the school system budget generates on the number of students, and that is a great challenge. They have also been struggling with \$312,130 fewer dollars in low-wealth funding for the upcoming year. We have two major factors, 75% being the re-calculation in the low-wealth formula and about 25% because of the reductions in student enrollment. Retirement and hospitalization are something we all struggle with when doing budgets and that has increased. One of the most devastating things we are facing is the loss of 18 ½ teaching positions and that's where the rubber meets the road. It is a concern having 18 ½ fewer teaching positions next year, because studies show it matters most in terms of student success or lack thereof who's in the classrooms, who's teaching that child. Although they have been losing positions for several years, the difference is now with finances, in the past Ms. Davis, Finance Director, has been able to offset things in other areas and use carry over money and low-wealth money. Low-wealth money is a huge factor and variable in Lenoir County. If there is not low-wealth money it becomes a devastating blow, and last year the school system had to contend with the lost of over \$200,000 in low-wealth money. This year they are projected to lose \$312,000. This has been a struggle and a continued challenge trying to do their core mission for the children and to contend with those cuts. However, this year there will not be any carry over money and the challenge is the allotted positions they have and the number of classrooms to be staffed. Mr. Williams stated they are doing everything they can do to cut internally, because regardless of what it is called, cuts, reductions in funding, they are dealing with less and the cost of doing business has increased. They have done everything they can and he thinks it's reflected in their budget. Mr. Williams stated they are not asking for additional funding as they originally planned to do, instead, he wanted to bring before the Board their current situation and stating our challenge and hope this Board will consider it. Mr. Williams thanked the Board for their time and consideration with their budget request.

Mr. Hill thanked Mr. Williams for his time and introduced some of the members of the LCPS Board and their Administrative team. Mr. Hill stated he appreciates the manner in which Mr. Williams approached the Board with the direction they are heading in regards to their budget. Mr. Hill stated the Board will take their budget into consideration as they move into the budget process.

Mineko Holloway, Director, Lenoir County Council on Aging, introduced Ms. Tammy Dawson, Community Alternative Program Manager. Ms. Holloway stated her office have been working together to put together a campaign for older Americans month and elder abuse awareness. Ms. Holloway urged citizens to observe older American month and give recognition for what they have contributed for all.

Courtney Patterson, Board of Election member stated BOE and County Administration were unable to come to an agreement regarding BOE budget. Mr. Patterson shared the purpose of the Board of Election. He stated their Board as a whole came to the realization that the local office is currently understaffed, especially with the use of today's technology. He stated their Board is requesting the three things that were not approved in their budget: 1) Reinstatement of Ms. Hammonds position 2) Raise poll workers pay at a fair level competitive with surrounding counties 3) Allow them to purchase a postage machine. Mr. Patterson stated the Board of Election office should mimic diversity and they lack diversity and are in need of an African American. The office once had one, however, she retired several years ago which caused the gap. If they are able to fill that position, that individual would be responsible and delegated to technology which would greatly help in that manner. A postage machine is needed because they have a vast amount of postage and it would keep that person in the office instead of spending time outside of the office dealing with postage. The final issue is low pay for poll workers, if they are able to increase the pay it would allow them to get committed workers. Mr. Patterson thanked the Board for their time.

Mr. Hill thanked Mr. Patterson and the Board of Election members and stated the Board would take both matters into consideration.

#### **PUBLIC COMMENTS:**

None

#### **CONSENT AGENDA:**

1. Approval of Minutes: Regular Board Meeting: April 18, 2016.
2. Resolution Approving Releases and Refunds Listed to the Individuals Herein.

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 Proclamation honoring Older American Month. Mr. Hill read the proclamation. Upon a motion by Ms. Brown and a second by Ms. Sutton, Item No. 3 was unanimously approved.

Item No. 4 was a Resolution Approving Presentation of Badge and Service Weapon to Retiring Lieutenant Jeffery Allen Herring. Upon a motion by Ms. Sutton and a second by Mr. Best, Item No. 4 was unanimously approved.

Item No. 5 was a Resolution Approving the Increase of the Fee Schedule for the EMS Division for 2016. Mr. Roger Dail, EMS Director, stated Lenoir County acquired Emergency Medical Services in 2001 from Lenoir Memorial Hospital. Fees had been established in order to provide and bill for this service. In January 2010, the Emergency Services Department – EMS Division requested and was approved for a fee increase.

Since that time, Medicare rates have increased and it is recommended by our third party billing company, EMS Management & Consultants that we raise our rates to be at, or above the Medicare rates. Upon a motion by Ms. Sutton and a second by Mr. Best, Item No. 5 was unanimously approved.

Item No. 6 was a Resolution Authorizing the Release of Parcel Tract Seven (7) from Option Agreement. Mr. Mark Pope, Economic Development Director, stated On October 29, 2003, Lenoir County entered into an option agreement with Robert Johnson Parrott and William Thomas Parrott III in their capacity as co-trustees for the benefit of Charles Sellers Parrott under the certain Trust Agreement for real property in Lenoir County. The option was an exclusive and irrevocable option for purchase of the property and all rights, ways, alleys, privileges, and appurtenances on either of (8) tracts of real property in the Highway 70 Industrial Park with renewals dating every five (5) years. The next renewal will be in 2018. Of the original eight (8) tracts, three (3) tracts remain. The owners have a request to lease tract seven (7) and therefore request release from the Option Agreement with Lenoir County. The Parrott family has been proactive in assisting Lenoir County with growth and expansion with companies such as Smithfield Foods and Sanderson Farms. Of the eight (8) original tracts all but three (3) tracts have been sold. Tract seven (7) is a thirteen (13) acre parcel (#37638), (see attached map) that the owner has requested the release of the option. Upon a motion by Mr. Davis and a second by Mr. Best, Item No. 6 was unanimously approved.

Mr. Jarman stated Mr. Pope has worked on other possible option agreements and also thanks to the Parrott family for this option. As our land becomes limited out there you might see other option agreements. We are appreciative to the Parrott's because they put us in a situation with Smithfield Packing and Sanderson Farms that we can make a commitment and honor that commitment without any headaches. Mr. Rouse asked if there were any monetary compensations connected with this property. Mr. Jarman replied there are some but not with this particular one. The Parrott's have worked with us greatly and we need to return the favor just like we did when they needed to get it out for their benefit and it's been a great relationship.

Item No. 7 was a Resolution Authorizing the Sale of County-Owned Lot to the City of Kinston: \$3,066.78. The Board is requested to approve the sale of a lot (tax parcel # 8439, vacant lot on Dr. MLK Jr. Blvd) that was foreclosed on to the City of Kinston for an amount sufficient to cover the delinquent taxes and legal cost associated with Lenoir County obtaining ownership. The lot was offered for sale to the public at the Lenoir County Courthouse, and the minimum bid was not met. The City of Kinston has offered to purchase the lot for an amount that would cover the delinquent taxes and the legal cost incurred with the foreclosure. The North Carolina general statutes allow one government agency to transfer property to another government agency without going through a public bid process. The tax value of the property is \$4,500. The County has a total investment in the property of \$3,066.78 (delinquent taxes and foreclosure cost). The City of Kinston has offered to purchase the property for the amount that the County has invested: \$3,066.78. Upon a motion by Mr. Daughety and a second by Ms. Sutton, Item No. 7 was unanimously approved.

Item No. 8 was a Resolution Authorizing Purchase Order for Down East Protection Systems for the Installation of a Video Network at the Lenoir County Landfill at 2949 Hodges Farm Road, LaGrange, North Carolina: \$5,998.98. Mr. Chris Harper, Special Projects Officer, stated The Lenoir County Landfill installed the current video network approximately twenty (20) years ago. Currently the system has two (2) cameras that are not operational and two (2) that have extensive performance issues. The current video monitor is extensively faded and not viewable by office staff. The lack of performance causes multiple delays throughout the work day for the scale-house operators and causes the Landfill users to have longer wait times. Down East Protection Systems currently provides security monitoring services to the Lenoir County Landfill. Down East has installed multiple video systems within other County departments. Completion of this project will allow the Landfill staff to operate more efficiently and serve Landfill users more effectively. This video network will also reduce wait times for Landfill users and allow for better flow of Landfill traffic. Upon a motion by Mr. Davis and a second by Ms. Sutton, Item No. 8 was unanimously approved.

Item No. 9 was a Resolution Approving Purchase Order for Stallings Heating & Plumbing for an HVAC System at the Neuseway Nature Park: \$5,067. Mr. Bill Ellis, Parks & Recreation Director, stated the compressor broke on the old unit which was eighteen (18) years old and numerous large events were scheduled in the building. Stallings had a unit in stock and was able to replace it the same day. The compressor went out of commission and the facility was the host for the several events, and it was necessary to replace the HVAC unit prior to the time the scheduled events were to take place. Upon a motion by Ms. Sutton and a second by Mr. Best, Item No. 9 was unanimously approved.

Item No. 10 was a Resolution Approving Purchase Order for Churchich Recreation & Design for two (2) Sets of five (5) Row, Fifteen (15) Foot Bleachers at the Contentnea Recreation District: \$7,290. Mr. Bill Ellis, Parks & Recreation Director, stated currently, there are no bleachers on the baseball/softball field at the Contentnea baseball/softball field. During the games, spectators have to bring chairs and blankets to sit on. Money was budgeted for purchasing bleachers in the 2015/2016 budget. Due to safety reason and constantly changing specifications, 5 row 15 foot bleachers are now required to have double foot planks and a chain link guard rail system around the top bleacher. We received quotes from three companies and Churchich Recreation provided the lowest price. The costs of the bleachers are \$3,145 each not including freight. Upon a motion by Mr. Daughety, and a second by Ms. Brown, Item No. 10 was unanimously approved.

Item No. 11 was a Budget Ordinance Amendment: General Fund: Health: (Immunization) \$4,269. Increase. Mr. Joey Huff, Health Director, stated this amendment is additional state funding provided to the health department to support immunization activities. Upon a motion by Mr. Daughety and a second by Ms. Sutton, Item No. 11 was unanimously approved.

Item No. 12. Was a Budget Ordinance Amendment: General Fund: Health: (General Admin.) \$50,884. Increase. Mr. Joey Huff, Health Director, stated this increase in state funding to support the implementation of Triple P for families of children ages 0-5, by providing for increased purchases of training and support materials for the period of March 1, 2016 – May 31, 2016. Upon a motion by Mr. Davis and a second by Mr. Best, Item No. 12 was unanimously approved.

Item No. 13 was a Resolution Approving Citizens to Boards, Commissions, Etc. Ms. Brown stated, there are no applicants, so no action is required at this time.

Mr. Jarman stated at the Budget Work Session the Board asked for Sheriff Ingram to be present today to possibly answer some questions pertaining to his department.

Mr. Hill stated two concerns that were mentioned during the previous meeting was the Sheriff's Department being competitive with salaries and staffing issues.

Sheriff Ingram stated they are constantly losing officers to other departments that have better pay rates, and it is becoming harder to compete with those counties. Currently, the department is young and you can look forward to them being around for a long period of time if they are compensated. As an incentive, we are looking at creating different types of certification programs that would give the officers something to work toward and look forward to. For those that desire to move up, the current development would be available and it would be up to them to proceed forward. We recently had a detention officer that had been with Lenoir County for twelve years resign to go to Pitt County and received a \$7,000 increase just going in the door as a detention officer with no rank. We realize we cannot compete with Pitt County, however, if we can adjust our pay at least it would show our people that we care and we are doing something to help. Sheriff Ingram stated when each officer arrives for work they have to leave cell phone and everything on the outside with no contact with the outside world, and for twelve (12) hours they become locked up too. The Governor has approved a massive pay raise for State Troopers and Wayne County has raised their pay to \$32,000 with the attempt to go to \$35,000 next year. We will continue to lose good people if we continue to drag behind and something is not done.

Mr. Daughety stated he has two (2) concerns that he would like to address. We are putting the officers in isolated situations for the rate of pay. For the younger officers pay matters. The pay is unfair and challenging to the young men and women and their families. Because we are losing people it is putting a strain on the sheriff, his department and manpower. We are compounding the issue of not paying what he think we should be paying and then they get comp time that they don't have the ability to take it because of being short staffed. We are creating two kinds of stress on these young people. If you pay them more you would be adding additional stress on them because they still would not be able to enjoy their family because of staffing issues. Mr. Daughety stated he hoped that we can consider in the budget and look at how to put more deputies on the streets.

Sheriff Ingram stated the deputies spend a lot of times doing transports, and the earlier part of the year they made changes to allow the detention officers to provide medical transports. As of last week, the detention officers had over 210 hours of time with transports which are 210 hours that our deputy have been able to stay on the streets.

In the past deputies remained tied up with transports from jails, hospitals or different facilities and for hours and sometimes days or two weeks at a time they are just sitting there. By allowing detention officer to do transports it will free up deputies to stay on the streets.

Mr. Hill stated it would be nice if someone other than the Sherriff's Department would be able to do transports like some hospitals that have their own police and security officers. Maybe this is something that can be placed on the legislative agenda for discussion.

Sheriff Ingram stated that would be nice but they way the law is written it doesn't matter who brings them in, the sheriff's office must handle transports, and this is a battle we have been fighting for several years. If they had someone that could sit with the inmates it would solve a big problem, because while deputies are sitting at the hospitals it pulls on their manpower shift.

Mr. Daughety stated this is a great concern and we need to figure out a way to do something to help out our young deputies.

Sheriff Ingram stated it is a good thing to up the pay rate but you still need to do something for the ones that are already here. For example, you can't just come in and raise the bottom man up, and the one that has been here for two years are now making the same thing. The next time another study is done the bottom pay is adjusted and the others stay at the same. That is a moral killer. Because one can quit today and come back the next week and get an increase to make more money.

Mr. Rouse asked Mr. Jarman to pull the numbers together from the surrounding counties, number of deputies, trending crime rate over the last five years, pay schedule, and how they are structured and provide a good analysis on it. Mr. Jarman replied they have done some pay comparisons on like size counties and we were 8-10% behind. However, we can tie it more specifically to law enforcement. Mr. Jarman stated Sheriff Ingram has worked very well with us. The budget that we are presenting and the information we shared at the work session included the money for the certification pay and the sheriff felt that was the best way to increase the salary and that is what we did. He also had good information regarding the detention center side and how it affected the entire ranks, so the money we included for the detention officers is reflected in the budget. As for the patrol, the first attempt was to do the transports with part-time help to keep deputies in their area. All department heads will tell you that our office is big on work load statistics, because if you keep up with that, you can prove your own arguments. The first year Sheriff Ingram was here he mentioned they were doing a lot of transports and we asked him to define a lot. This year when he came for his budget meeting he laid a stack of papers on my desk with 2,600 hours worth of transports. With the budget this year on the detention center side we are asking you to approve one additional person that will be doing the transports along with a part-time person in an effort to relieve deputies of this responsibility. Sheriff Ingram is doing a lot to work with us to provide law enforcement in the least expensive manner. Mr. Rouse asked to add with the analysis the turnover rate for deputies in comparable counties.

Mr. Hill stated he appreciates Sheriff Ingram for presenting this morning.

Item No. 14 was items from County Manager. Mr. Jarman stated the county received bids on three (3) county-owned properties, 902 Herbert Drive, Randolph Farrow Road, and 911 Chestnut Street.

Mr. Jarman stated for Herbert Drive they received another bid at the same level of the previous bid they turned down in the past, for the property on Randolph Farrow Road we received a bid at \$1,000 and the previous was \$500 and for the property on Chestnut Street the current bid is \$300 and the previous bid was \$300. Mr. Jarman stated his recommendation is that the Board declines all three bids especially the two that were at the same level that was already declined. We are doing some research and looking at the property on Randolph Farrow Road and we may be getting close with that one. His recommendation is to decline all three and give them time to work with them a little longer. Upon a motion by Mr. Daughety and a second by Ms. Brown, bids on the three county properties were unanimously declined.

Mr. Jarman stated as a reminder the next meeting is May 16<sup>th</sup> at 4:00 p.m. He would like to meet at 2:00 p.m. at the Administration Building prior to that meeting and have a budget presentation including all numbers for further discussion and bring additional information on the Sheriff's Office as well as the Board of Elections.

Mr. Rouse asked Mr. Jarman to prepare for him something showing all the programs that we use matching funds and what it would look like if they were to go away. Also, state which programs we are matching that are not required but we provide as an addition and list the cost associated with them. Mr. Jarman replied he is not sure he could provide that information in a two week period and to put a dollar value on it can be difficult. You are mandated to provide a fair and equal education to students, but it does not give a dollar amount per child. There are mandated programs where we might tell you what we receive from the state or federal government like at DSS, but it might be a 50% reimbursement so we don't get that 50% until we spend it. Mr. Jarman stated we would not know the final answer until the end of the year. You can look at the budget the way it is currently presented to you and look at the intergovernmental revenue sources and look at what is predicted to come in. However, it will be quite a task to try to tie it to the number of different programs within each department. Mr. Hill stated he understands what Mr. Rouse is asking, but it's not just about what we match its what our match does once we find the match and how it impacts our economy as well. Mr. Jarman stated it's much deeper than that. Mr. Rouse asked Mr. Jarman to do the best he can. Mr. Jarman stated he is not sure how to get all of that information perhaps he can talk with department heads and see if there is something simple other than that he can see someone spending several months trying to break it down and still not have a number that truly representing of what you are asking. Mr. Daughety asked could you go back to last year's numbers to see what was matched. Mr. Jarman replied it varies with different departments and programs. Health and DSS provide a lot of the different services that are provided by you to the citizens of Lenoir County. Mr. Rouse stated he is asking for services that we have to provide a match for that should be very easy, just ask them for it and they should be able to pull the information out. Mr. Jarman stated he will take a look at it. Mr. Hill stated we are in the middle of a budget and on a normal basis it is stressful enough to our department heads and we need to be cognizant of the time frame of what were working in and the work load we are placing on folks when we ask these kinds of questions because I think it's a very complex question that you are asking at this time. Even if we got the information what will we do with it. Mr. Jarman stated it may be best to schedule a time that you sit down with key individuals and try to get your information in a more understandable format than us trying to pull it together. This week we are trying to finalize a budget document that we can put in your hands for you to look at.

We will provide a link to this document so you can look at each department line item request and their justification of why they need it. This week we will be very busy. Attorney Griffin stated for an example of the complexity of Mr. Rouse request, there are about 40 children in the Foster Care and each child has a code depending on their particular circumstance. There are four different types of categories, one might be 70%, 50% or 90% reimbursement or 0% reimbursement, each individual child is different, which again can be very complex. Mr. Rouse stated then you would know what each child get based on that program, so you can identify that program with that match. Mr. Griffin replied maybe for that particular point in time but not for next year. Mr. Rouse stated he don't care about final dollars he wants to know what programs. Mr. Hill stated he understands the request and the County Manager will do his best to respond to it.

Ms. Sutton stated she would like to know what other poll workers are paid in other counties. Mr. Jarman replied we budgeted to move the rate from \$7.25 to \$7.50 \$7.50 to \$8.50, \$8.00 to \$9.00. We compared our county to other comparable counties and we are in the middle. We have all the information we analyzed. We will have the budget information available for you at the next meeting.

Ms. Brown reminded everyone of the JCPC breakfast next Monday the 9<sup>th</sup> of May at 8:30 a.m.

Mr. Hill reminded everyone of the 35<sup>th</sup> Annual BBQ Festival on the Neuse May 6-7, 2016. Maceo Parker's celebration is the week of May 23<sup>rd</sup>.

Ms. Sutton reminded everyone of the National Day of Prayer

Mr. Hill acknowledged the retirement of Adrienne King, Director of the Pride of Kinston, and Ms. Sylvia, Director of the Gate is stepping down from her position.

Meeting Adjourned at 10:20 a.m.

Respectfully submitted,



Vickie F. King  
Clerk to the Board

MINUTES  
LENOIR COUNTY BOARD OF COMMISSIONERS  
BUDGET PLANNING WORK SESSION  
ADMINISTRATION BUILDING CONFERENCE ROOM  
APRIL 18, 2016

The Lenoir County Board of Commissioners began their scheduled Budget Work Session on Monday, April 18, 2016, at 2:00 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; Joey Bryan, MIS Director; Tracy Chestnutt, Finance Officer; Vickie F. King, Clerk to the Board; Jerry Henderson, SPCA Director, and the media.

Mr. Jerry Henderson, President of the local SPCA, acknowledge two (2) of the members of the SPCA Board of Directors that were present at the meeting. Mr. Henderson thanked the City of Kinston and Lenoir County for their continued support. Mr. Henderson read from a prepared statement. Mr. Henderson stated the SPCA is requesting \$175,000 from the County and \$35,000 from the City for a total of \$210,000 for Fiscal Year 16-17. Mr. Henderson reminded the Board that the SPCA is not a part of local government; they are a contract organization that operates the Lenoir County animal shelter according to the rules set by the state of North Carolina and Lenoir County. Mr. Henderson stated county funding is inadequate to comply with State mandates, which requires the local SPCA to raise money to pay for services the County and State require. Mr. Henderson shared the operational process of the SPCA as follows: County rules dictate the length of stay for each animal, which is 3 business days minimum, and the treatment of the collected animals. Some animals are returned to their owners, some are adopted in-state, and some are placed out-of-state. However, the best situation would be to have no unwanted animals or to find homes for all of them. All animal costs after the initially mandated period of three days are paid by the SPCA, and the county's portion is about \$94 per animal. Mr. Henderson stated it is the goal of the SPCA to build a new facility within a couple of years. The site has been identified and purchased. Construction plans are being finalized for a new, environmentally friendly facility, and the fundraising has started.

Mr. Henderson mentioned although they wanted to build a new facility, they want to continue working with local government and accept all animals that are in need. However, there must be some management and fiscal changes, because annual allocations have not been enough to run the facility adequately. They will need a formal agreement between the County and the City of Kinston. He has had initial discussions with Mr. Joey Huff, Health Director, and others to define the changes that must occur. They are willing to work together to maximize the ability to provide proper care to all the animals and to minimize the impact staff and budgets. Mr. Henderson concluded by stating they are proud to be a part of Lenoir County and want a facility that reflects that pride. Mr. Henderson stated they are requesting an additional \$55,000 more than last year which is a total of \$175,000. Mr. Henderson stated this request is to make up for the \$60,000 collected last year through fundraisers. Ms. Sutton asked if they had a timeline set on having the facility built. Mr. Henderson replied within two (2) years, and the total amount is \$1.8 million, and they have raised \$500,000 thus far.

Mr. Jarman shared information from the Revenue Forecast for Fiscal Year 16-17. He stated the total for property taxes is up over \$500,000 from the previous year and can be attributed to the collection percentage rate of 96.33% and the change in the North Carolina motor vehicle laws. Mr. Jarman shared information regarding figures in FY 17-18, and stated historically there is a 1-2% appreciation, except for a Revaluation year and that figure would increase by 8-10% by adding properties that were not on the tax books before. The Revaluation will go into effect January 1, 2017; what we have seen from other counties that have gone through a revaluation recently was a decrease in property values. The economy has started recovering but it is not yet reflected in property values.

Mr. Jarman stated one of the goals of the North Carolina Association of County Commissioners (NCACC), is asking for County support of Senate Bill 605, which talks about Article 43 and 46, which are local option to sales tax revenues. One of the Articles relates to Transit, but would not affect the County. The NCACC is interested in increasing the sales tax by one-half cent. This is something the Board should be thinking about. The Association knows that many of our counties across the state are running into revenue problems. Most of the time with a revaluation you will get a value increase, but when you get a decrease even though the economy is improving, you will have to live with that new valuation for eight years, unless you advance the revaluation cycle.

Currently with our school system taking steps to become more efficient, they will still have need for additional funding. The General Assembly took away the Average Daily Membership (ADM) Funds, which gave Counties money for capital improvement and reduced the lottery funds.

The County had been struggling with these issues, and a couple of years ago had to change the tax rate just to cover school debt. As an act of being proactive, the Board needs to be supporting the activity of the General Assembly to get that bill passed. The Board has started good open dialog with Lenoir Community College and the Lenoir County School Board, and I think the Board should look at meeting with both entities and talk openly about the possibility of the sales tax increase, and then if the County revenues go flat, will they still be able to meet their educational needs. If the revaluation goes well and the property values surprise us all, you can look toward easing the burden on the property tax revenues. They are our main source of revenue. Mr. Jarman stated moving forward, listen to what is going on in the General Assembly, and look at what other communities are doing, and think about what we can do to change the way we are doing business here. As a whole this year, our property tax revenues look good.

Mr. Jarman briefly discussed sales tax and intergovernmental revenues and stated sales tax is still relatively flat with a modest increase. Intergovernmental revenues such as lottery proceeds are flat, housing inmates from other counties is flat. The County has not seen an increase there. We have had a small increase on the revenue side for the confinement of misdemeanants. Mr. Jarman continued to share information regarding revenues in other areas. Mr. Jarman stated they entered into a new lease agreement with Eastpointe that will be coming before the Board but it is not a done deal yet. They are moving more employees into the building and it will be full again, which will be good for our community. To get the building back to where it needs to be, they renovated several areas. The lease will be before the Board soon with more details.

Mr. Jarman stated in regards to School Capital Reserve, we are still transferring funds from the school capital account to pay the Debt Service to keep the pressure off of our General Fund budget. We have been doing that for a few years. We see some future needs in education that will be coming before you in the capital area.

Mr. Jarman stated they we have not received the school systems budget yet, and by law they are not required to submit until May 15<sup>th</sup> but they usually try to get it to us before then. Based on where we are now, we will be using at 1.7 million in Fund Balance to balance the budget, we have used Fund Balance to balance the budget in the past, but we do that to keep from cutting services or changing the tax rate. The County managed not to use that Fund Balance this past year. The Audit shows we put about \$300,000 back into savings, although it was not a large number, we still are on the positive side which is a very reasonable number. We feel good about that number and it's a good year for us and we think that helps moving forward and planning for this year. Mr. Jarman asked if the Board had any questions.

Mr. Davis stated several years ago about 35% of the counties in North Carolina had voted to pass the sales tax increase; has that total increased from last year. Mr. Jarman replied he did not know the total. Mr. Hill replied he thought ten (10) Counties had it on the ballot and two (2) passed it this year. Mr. Jarman stated he thought there are more Counties discussing it because of the way the future looks, and the Board will have to work together, and the community as a whole for an issue like this to be approved. The funds will probably have to be ear marked for a specific purpose such as public education, working with school boards, and college Board of Trustee'. It also depends on the citizens, what they say they want to do with the funds, and on government reputation on how they have been spending the taxpayer's money. Mr. Davis stated he did not ask the question in hopes of it getting back on the ballot because it would not be appropriate to go on the ballot at this point, but if it got to the point where fifty (50%) of the counties had it then the legislature might would see fit to let counties decided. Mr. Hill stated there has been some discussion already about counties being able to do this, but no decisions have been made. Mr. Jarman encouraged the Board to be mindful of discussion at the General Assembly and with the NCACC; also reach out to Commissioners in other Counties who have approved the increase to gain knowledge of how they interacted with all the parties involved. Ms. Chestnutt stated at this time twenty-seven (27) counties have passed the Sales tax increase.

Mr. Jarman shared information regarding Fund Balance for the past ten years, General Fund fund balance projections for the remainder of FY 16-17, and Debt Service. Mr. Jarman stated he wanted the Board to know our current situation regarding the plan of spending. Mr. Jarman stated fund balance was once at 23% and now it is at 26%. Administration is keeping Assigned and Unassigned relatively in good shape coming through the recession and we feel good about where we are financially. The Reserved or Assigned Fund balance is for capital improvements, construction projects, bonded debt services, one-time expenditures for long-term benefits and economic development incentives. The undesignated or unassigned is for working capital for lean revenue months, emergencies, and disaster recovery costs. Mr. Jarman stated \$67,303,327 is in the General Fund budget as of 12/31/15, and the County has 8.4 weeks of working capital.

Mr. Hill stated this is really strong information, especially in light of what was done in last year's budget because there were some big costs associated with it; we knew it would be a challenging year with the technology upgrades. Mr. Jarman stated the County had put off a lot of things for a number of years and could not continue to do so. We tackled things last year and we will tackle some more things in the upcoming fiscal year, but overall we feel good about where we are going, but we want you to be well aware of where the future could go as well.

Mr. Best asked if the Federal Emergency Management Agency (FEMA) owed the county any additional money. Mr. Jarman replied although it took us a while we finally received everything.

Mr. Davis stated he is proud of the fact that County Administration has not come before the Commissioners to tap into the Fund Balance for different projects, it is a lot different than it was several years ago because the General Fund was tapped on a regular basis which was not pleasant.

Mr. Jarman reviewed information regarding Debt Service and stated until the County borrows more money, it is continuing to come down each year, which will help as they go into the future. This is a combination of the school bond, jail debt, and the Smithfield sewer project.

Mr. Jarman stated last year because of the changes in regards to the health insurance, the County had to increase the amount that was put aside, and it hit our budget for about \$470,000 which was a tough situation. He shared information regarding the history of the insurance fund. Currently, we are budgeting \$625 a month per employee. Our claims this year are going well which helps to build the fund balance. Mr. Daughety asked what does the county do for a retired employee from a health insurance standpoint. Mr. Jarman replied if they qualify for full retirement the county pays a portion like we do for a regular employee up to age 65.

Mr. Jarman shared information regarding authorized positions within each department. Mr. Jarman stated they are requesting only one (1) new employee within the budget which is a detention officer for transport purposes. We have been doing transports with two part-time people. Mr. Hill stated that is something that needs to be addressed with the NCACC because the responsibility for transporting should fall on the associated entity. In other counties and cities, the hospital has its own police department, and there are entities across the state that have the ability to transport, they don't have the requirement to do so and that has unduly fallen on counties and it requires legislation to change. If transporting has to be done, the Sheriff has to do it regardless of whether it is a regular transport or mental health related, and they can spend hours and days sitting in a room with a patient. This is definitely something that needs to be worked through the Association. Mr. Jarman stated as it pertains to mental health, Eastpointe will be joining forces with a group and it may change our agreement and the face of things with them. The mental health system is broken. People have a hard time getting the help they need.

Mr. Jarman shared salary history and COLA increases from 2005-2015. The County knew when the pay study was completed (2008), that we were behind comparable size counties, and when the recession came in July 09' and 10', we did not do an increase. In 2011, we did an increase in January and in 2012 we did not.

There were three years that employees received no increase and 1 year a 1.25% increase; the Board was able to do 2% in 13-14 trying to make our way back. In 2015, nothing was done on the salary side because we increased the amount we were spending on the insurance plan. Having no salary increase has really affected all the employees but they continue to do a good job. Those that were here during those years without any increase have had it really affect their retirement. The Board has the ability to do something this year. Mr. Jarman stated an increase at this time will not put the employees above the employees in other areas, our benefits package is comparable but when we compared salaries we are still 8-10% below comparable size counties. We would like to see some change there. We realize we won't ever compete with Pitt County but one of the issues is for example; we get detention officers trained and they leave for Pitt County to work for \$10,000 more, so we need to do something and make some changes. Ms. Brown stated that holds true for DSS employees as well and Mr. Hill stated for law enforcement as well. Mr. Jarman shared the cost of increases at three (3) different percentage rates: 2% \$379,000, 2.5% \$474,000, and at 3% \$569,000. Mr. Jarman stated in the number shown they did put some additional funding in the Sheriff's Office budget, to provide increases when certifications are obtained. This will promote growth because we realize the issues we are having in the law enforcement area.

Mr. Jarman shared a request from Hugo Volunteer Fire and Rescue and Southwood Volunteer Fire and Rescue requesting a tax rate increase in their districts. Hugo's current fire tax rate is \$0.04 and they are asking that it be increased by \$0.01 to bring the rate up to \$0.05. Considering that both Hugo District and Grifton District have equal coverage areas, they also requested that the Grifton District Fire Tax rate be increased from \$.035 to \$0.05. so that both of the Districts are in line with one another. Southwood requested an increase from \$0.07 to \$0.085 cents on the hundred. After discussion, Mr. Jarman read the contents of the letters from Hugo and Southwood.

Mr. Davis stated as closely knit as the communities are the fire department is the main drawing point, they wouldn't request the additional funds unless they can anticipate the wishes of the people. Mr. Jarman stated the citizens better understand the use of funds by their local fire departments than the Board of Commissioners. Citizens don't understand what the Board is faced with when trying to fund the Sheriff's Office or education. Mr. Hill stated the fire departments have taken proactive steps to get where they are going without the use of additional County funds.

Mr. Jarman stated County Administration would like input from the Board regarding the budget prior to May 16<sup>th</sup>. On May 16<sup>th</sup>, Administration would like to hold a budget work session at 2:00 p.m. to review all submitted budget information and answer any questions. We would like to prepare for a Public Hearing the first week of June.

Mr. Hill stated he would like to see what it would look like if we did a percentage increase for our employees and if the percentage for law enforcement would be greater than the normal. Mr. Jarman stated if they did a COLA it would apply to everybody, we have implemented a special entry salary rate for tough to recruit positions. Mr. Hill stated he would just like to see the numbers because the Sheriff's Office pay has been brought to him from different people in law enforcement. Mr. Rouse asked in 2006 what did the study show. Mr. Jarman replied he did not remember the exact percentage. Mr. Rouse asked what about regular employees. Mr. Jarman replied we were 8-10% below comparable counties.

Mr. Daugety stated he would like Sheriff Ingram to come and talk to the Board and about the number of deputies he has. Mr. Jarman stated the original request in the budget for the Sheriff's Office and Detention Center was an \$800,000 increase. Mr. Jarman stated he met with Sheriff Ingram because that type of increase is the equivalent of a \$0.02 tax increase. Adding a full time detention transport person would help him now and was budgeted for. We also put \$100,000 in the budget for certification program which would change their salaries when earned. On the Detention Center side we include a step increase of 2 ½ % for the entire department to try and get it comparable to other counties, that is included in the number you have. Mr. Hill stated for him it is a bigger picture; one of the biggest issues we are having as a community is the perception of crime and what we can do to change the face of that perception is extremely important to economic development and growth and tax rate, because it impacts it all. Mr. Jarman stated he will contact Sheriff Ingram to have him come before the board to answer any questions.

Recessed at 3:41 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Vickie F. King". The signature is written in a cursive, flowing style.

Vickie F. King  
Clerk to the Board