

Item No. 1

MINUTES

LENOIR COUNTY BOARD OF COMMISSIONERS

May 05, 2014

The Lenoir County Board of Commissioners met in open session at 9:00 a.m. on Monday, May 05, 2014, 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, Reuben Davis, Eric Rouse, and Mac Daughety.

Members Absent: Linda Rouse Sutton

A motion was made by Mr. Hill and second by Mr. Best to excuse Linda Rouse Sutton.

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

Chairman Hill called the meeting to order at approximately 9:00 a.m. Ms. Brown offered the Invocation and Mr. Best led the audience in the Pledge of Allegiance.

PUBLIC INFORMATION:

Mr. Wayne Peedin, Director of Veteran Affairs, thanked the Board for the opportunity to present his budget information. Mr. Peedin stated Lenoir County has been very supportive of Veteran Affairs for many years. Mr. Peedin stated Veteran Affairs was established 1948, and the division is currently in the process of restructuring. Mr. Peedin stated Veterans Affairs has expanded into State Veterans Homes and the Cemetery business. Mr. Peedin stated Lenoir County has a State of the Art Veterans skilled nursing home and several changes are expected to take place shortly. Mr. Peedin stated the agency is in the process of redesigning the map of its current regions. Mr. Peedin stated the thirteen districts across the state of North Carolina are converting into veteran hospital call centers, which will open on Veterans Day in Raleigh, North Carolina. Mr. Peedin stated the call centers will be available for referral services to answer questions regarding all aspects of veterans' benefits. Mr. Peedin stated the agency's desire is to become innovative in the way they reach out to veterans with the resources available. Mr. Peedin stated currently the agency is comprised of four counties, Wilson, Lenoir, Pitt and Pasquotank, and looking to expand in Pitt County. Mr. Peedin stated they are looking for office space in Wilson County to expand what they are currently doing to provide assistance to the veterans of North Carolina. Mr. Peedin stated the agency is in the process of training the office personnel in Lenoir County. Mr. Peedin stated he would like for Lenoir County to provide office space but they would not be

moving until February 2015, when their current lease expires. Mr. Davis asked Mr. Peedin, at what point will the Veterans Facility in Lenoir County, reach full capacity? Mr. Peedin stated he did not know, but they did not like having empty rooms in such a nice facility. Mr. Peedin stated Mr. Roger Smith, Service Administrator, is retiring and his position will be transferred to the call center in Raleigh, NC. Mr. Peedin stated the Veteran Service Technician will continue to provide assistance, although many of the other regions have abolished many of the Administrative functions. Mr. Peedin stated some of the things Lenoir County has provided Veterans Affairs are no longer required, such as a copier, and travel allowance. Mr. Peedin stated Lenoir County is the only County that have not signed an lease agreement. Mr. Hill thanked Mr. Peedin for his presentation.

Mr. Jerry Henderson, President of the Lenoir County SPCA, stated he wanted to help the Board understand the operations of the shelter and the role they play. Mr. Henderson stated, to help reduce cost to the taxpayers, the SPCA was aggressively working to encourage spay/neutering of pets. Mr. Henderson stated during the last two years, with the help of Happy Jack and Friends of Man's Best Friend, over 2,000 pets were spayed or neutered, which had a permanent impact on the community. Mr. Henderson stated the SPCA budget request is based on actual operating expenses. Mr. Henderson stated the local animal control ordinance now mandates the shelter hold animals for three business days, not including holidays and weekends. This allows owners a chance to reclaim their animals. Mr. Henderson stated for the last four years, the SPCA has kept two sets of books one set records mandated expenses, which are Lenoir County's, and expenses beyond mandated, which are the responsibility of the SPCA. Mr. Henderson stated SPCA believes it is the County's obligation to pay all mandated expenses and the SPCA should pay for everything else. Mr. Henderson stated state law now mandates them to scan each pet that comes into their facility. Mr. Henderson read statistics for 2013, which included: 3% of animals were returned to their owners, 15.5% were adopted by local people, 31.2% were carried out of state by the SPCA funded Rescue Program, and 50% were euthanized because half were beyond help. Mr. Henderson stated the shelter is currently housing a jail dog, which is funded at tax payer's expense, and as of this date, the bill has reached \$1,500.00. Mr. Henderson stated this bill will remain unpaid because the individual in jail cannot afford to rescue the animal. Mr. Henderson stated the vision with the Second Chance Thrift Store was to use profit to fund SPCA activities; unfortunately, that has not been the case. Every nickel made goes toward keeping the shelter open and this is not enough. Mr. Henderson stated this is the tax payer's responsibility, not donors. Mr. Henderson stated they are requesting \$30,000 from the City of Kinston, and \$173,500 from Lenoir County. Mr. Joey Huff stated they wanted to build a new shelter, but with the economy, they are not able to build at this time. Ms. Brown asked if people pay a fee when we transport animals up North. Mr. Henderson replied, yes.

Mr. Hill stated the main thing is responsible pet ownership. Mr. Henderson stated it is the SPCA's passion and the County's responsibility. Mr. Hill thanked Mr. Henderson for his presentation

Mr. Ken Jones, Eastpointe Director, advised the Board about changes going on with Eastpointe. Mr. Jones stated Eastpointe went from providing to managing. Mr. Jones stated Eastpointe works together with individuals, families, providers and communities to achieve valued outcomes in the behavioral healthcare system. Mr. Jones stated Eastpointe must stay within their budget, if they don't, the State will turn them over to a company that can manage the budget accordingly. Mr. Jones stated the functions of the LME/MCO is to provide 24/7/365 access to care, review of service requests, care coordination, provider network development, monitoring quality improvement, and claims processing. Mr. Jones stated Eastpointe has providers that provide a variety of services. Mr. Jones stated the mental health field has endured changes that affect the way individuals receive service. Mr. Jones stated it takes about two to three days to get a patient help, and their goal is to reduce the number of days. Mr. Jones stated the number of hospital beds for mental health patients across the State of North Carolina has been reduced, and many times people have to wait to get service. Mr. Jones stated the agency has been talking to hospitals, law enforcement, and magistrates to gain awareness and to help them understand the process to get a person help. Mr. Jones stated they are talking with other counties in the eastern part of the State with regards to the consolidation of three good MCO programs. Mr. Jones stated Eastpointe has done very well with their finances, and would like to maintain fair implementations. Mr. Jones stated this year's goals are to make connections to community living, reduce crisis, and ER wait time, identify high cost clients of both behavioral and physical health, decrease readmission rates into hospitals, maintain a provider network that meets needs, and move children who are in Psychiatric Rehabilitation Treatment Facilities closer to home. Mr. Jones read a proclamation declaring May as Mental Health Month. Mr. Hill thanked Mr. Jones for his presentation. Upon a motion made by Mr. Daughety and second by Ms. Brown the proclamation was unanimously approved.

CONSENT AGENDA:

1. Approval of Minutes: Board Meeting: April 22, 2014

Item No. 2 was a Resolution Approving the Releases and Refunds to the Individuals Listed Herein, Ms. Martin stated the releases and refunds are a result from listing, and assessing due to incorrect and incomplete information. Upon a motion by Ms. Brown and a second by Mr. Best, Item No. 2 was unanimously approved.

Item No. 3 was a Budget Ordinance Amendment: General Fund: DSS: \$500 Increase, Ms. Moore stated increase of \$500 was due to unanticipated client needs, and funds are 100% reimbursed by disability determination. Upon a motion made by Ms. Brown and second by Mr. Best, Item No. 3 was unanimously approved.

Item No. 4 was a Budget Ordinance Amendment General Fund DSS \$1,751 Increase, Ms. Moore stated increase of \$1,751 was due to new allocation from State, and funds are 100% State funded. Upon a motion made by Ms. Brown and second by Mr. Best Item No. 4 was unanimously approved

Upon a motion by Ms. Brown and a second by Mr. Best the consent agenda was unanimously approved.

PROCLAMATION/BUDGET ORDINANCE AMENDMENTS/RESOLUTIONS

Item No. 5 was a Resolution Honoring Retiring Employee Sheila Hardison. Ms. Hardison was unable to attend meeting. Ms. Moore asked to move the Resolution to next meeting .

Item No. 6 was a Proclamation proclaiming May as Mental Health Month, Mr. Ken Jones read the Proclamation, Upon a motion by Mr. Davis and second by Ms. Brown, Item No. 6 was unanimously approved.

Item No. 7 was a Proclamation proclaiming May as Foster Care Month. Ms. Brown read the Proclamation. Ms. Moore stated just over 40 children, are currently in foster care services in Lenoir County. Ms. Moore stated Lenoir County has 3 licensed Foster Care Homes. Ms. Moore stated she is asking for help in promoting Foster Care Homes in Lenoir County. Ms. Moore stated seven children in foster care are under the age of six years old and she is looking for more people to commit to helping. Mr. Hill stated it would be good for dependable community members to get involved. Upon a motion by Ms. Sutton and second by Mr. Best, Item No. 7 was unanimously approved.

Item No. 8 was a Proclamation proclaiming May 9, 2014 to June 16, 2014 as Vulnerable Adults & Elder Abuse Awareness day in Lenoir County. Ms. Brown read the proclamation. Ms. Moore stated, on May 21st from 1:00p.m.-4:00p.m. at St. Augustus AME Zion Church, a Senior Expose will take place. Mineoka Holloway shared printouts regarding Older Senior Day. Ms. Holloway stated one out of three older Americans are waiting for services from the Department of Social Services and Council on Aging. Ms. Holloway stated a picnic is planned for May 12th and the State Director will be the guest speaker. Ms. Holloway stated they seek to educate, and empower individuals. Ms. Holloway stated the Woodmen Center will have an event on May 14th to continue to promote older adults. Upon a motion by Ms. Sutton and second by Mr. Best, Item No 8 was unanimously approved.

Item No. 9 was a Proclamation proclaiming May 18-24, 2014 as Emergency Medical Services Week. Mr. Hill read the Proclamation. Mr. Dail stated several staff members were unable to attend due to calls for service. Upon a motion by Ms Sutton and second by Ms. Brown, Item No. 9 was unanimously approved.

Mr. Ellis, Parks and Recreation Director was asked to present to the Board and he stated the Department of Transportation will provide \$601,000, for the first phase of the River Walk Project. Mr. Ellis stated they will hold a meeting in Raleigh tomorrow and the City of Kinston will be handling the money, matched with local funds.

Item No. 10 was a Budget Ordinance Amendment: Trust Agency Fund: Finance/Extension-Family Caregiver: \$7,000 Increase. Ms. Kelly stated, the amendment was for additional funds received for the Smart Start Program. Upon a motion by Mr. Daughety and second by Ms. Brown, Item No. 10 was unanimously approved.

Item No. 11 was a Budget Ordinance Amendment: General Fund: Finance/Sheriff/Concealed Weapons: \$14,315 Increase. Ms. Martin stated the amendment was to appropriate funds from concealed weapon permitting and renewals. Upon a motion by Mr. Daughety and second by Mr. Best, Item No. 11 was unanimously approved.

Item No. 12 was a Budget Ordinance Amendment: General Fund: DSS: \$19,408 Increase. Ms. Moore stated, the amendment was for additional revenues received to provide heating and cooling, for the crisis intervention program. Upon a motion by Ms. Brown and second by Ms. Sutton, Item No. 12 was unanimously approved.

Item No. 13 was a Budget Amendment: General Fund: DSS: \$23,849 Increase. Ms. Moore stated, the increase was for additional State funding received by DSS. Upon a motion by Ms. Sutton and second by Ms. Brown, Item No. 13 was unanimously approved.

Item No. 14 was a Budget Ordinance Amendment: General Fund: DSS: \$381,463 Decrease. Ms. Moore stated the Child Care Development was decreased due to a State cut in funds. Upon a motion by Ms. Sutton and second by Ms. Brown, Item No. 14 was unanimously approved.

Item No. 15 was a Resolution Authorizing Lease of a New Digital Mailing System: Anza Mailing Systems: \$4680. Mr. Hollowell stated the current five year lease agreement with Anza expires June 30, 2104. Upon a motion by Ms. Sutton and second by Mr. Davis, Item No. 15 was unanimously approved.

Item No. 16 was a Resolution Approving Purchase Order Execution for Actuarial Valuation of the Health Care Plan of Lenoir County: Cavanaugh MacDonald Consulting, LLC: \$5,550. Ms. Martin stated that an Actuarial Valuation Study of the Lenoir County Health Care Plan study was required. Upon a motion by Mr. Davis and second by Ms. Sutton, Item No. 16 was unanimously approved.

Item No. 17 was a Resolution Approving Acceptance of a Proposal and Execution of a Contract for Independent Audit Services: Carr, Riggs & Ingram, LLC., LaGrange, NC: Ms. Martin stated the County is required to complete an annual audit of its financial statements. The RFP information was posted on the County's website with two firms submitting proposals. Upon a motion by Ms. Brown and second by Ms. Sutton, Item No. 17 was unanimously approved.

Item No. 18 was a Resolution Authorizing Purchase Order Execution: Maximus Inc.: Cost Allocation Plan and EMS Medicaid Reimbursement Report: \$5,750. Ms. Martin stated this resolution will allow the encumbrance of funds, and eventual payment for services billed for Maximus to prepare the County's indirect cost plan and EMS/Medicaid Reimbursement Plan. Upon a motion by Ms. Sutton and second by Ms. Brown, Item No. 18 was unanimously approved.

Item No. 19 was a Resolution Approving the Purchase of New Telephone Equipment: CenturyLink: \$537,848. Mr. Dail stated a combination of the upgrade of existing equipment, along with the purchase of new equipment was needed for the JLECC project. Mr. Dail stated this would include the software and hardware required to allow for the primary and backup PSAP. Upon a motion by Ms. Sutton and second by Ms. Brown, Item No. 19 was unanimously approved.

Item No. 20 was a Resolution Authorizing Purchase of Accessible Diagnostic Medical Equipment: \$8,844.67. Mr. Huff stated during an audit review the Health Department found they were not in compliance with the Americans with Disabilities Act. Mr. Huff stated this purchase was necessary, to be in compliance with the American with Disabilities Act of 1990. Upon a motion by Mr. Davis and second by Ms. Brown, Item No. 20 was unanimously approved.

Item No. 21 was a Resolution to Amend the Lenoir County Animal and Rabies Control Ordinance. Mr. Huff stated the amendment was necessary to clarify the holding time for disposition of animals. Mr. Huff stated any animal seized and impounded that is badly wounded, diseased, or unweaned and does not have any identification, may be humanely destroyed after a holding period of 72 hours excluding weekends and holidays. Upon a motion by Ms. Sutton and second by Mr. Rouse, Item No. 21 was unanimously approved.

Approval of Agreement to Board Feral Cats: Northside Animal Hospital. Mr. Huff stated, a new statute requires animal shelters to hold all animals for a period of at least 72 hours before final disposition. Mr. Huff stated Northside Animal Hospital has agreed to board and dispose of feral cats picked up by County Animal Control Officers. Upon a motion made by Ms. Sutton and a second by Ms. Brown, the Resolution was unanimously approved. Mr. Jarman stated he commends Mr. Huff on the efforts he has made. This issue could have been a larger burden. Mr. Huff has done a great job.

Item No. 22 was a Resolution Approving Execution of an Intergovernmental Agency Agreement and Contract, Promissory Note, and Related Documents: North Carolina’s Eastern Region Development Commission. Mr. Jarman stated Lenoir County has applied to the North Carolina’s Eastern Region for a loan, for the purchase of funding the Lenoir County Smithfield Sewer Extension Project. Mr. Jarman stated we are asking for three items to be approved; Resolution, Agreement & Contract, and Promissory Note. The County will come back with a public hearing at a later date. Upon a motion by Mr. Davis and second by Mr. Best, Item No. 22 was unanimously approved.

Item No 23 was a Resolution Approving Citizens to Boards, Commissions, Etc. Ms. Brown recommended Dr. Brantley Briley be appointed to the Eastern Carolina Workforce Development Board and Ms. Elaine Patterson to the Eastern Carolina Council, both are re-appointments. Upon a motion by Ms Sutton and second by Mr. Davis, Item No. 23 was unanimously approved.

<u>BOARD/COMMITTEE/COMMISSION</u>	<u>APPLICANT/ CURRENT MEMBER</u>	<u>TERM EXPIRATION</u>
Eastern Carolina Workforce Development	Dr. Brantley Briley(Re-Appointment) 2nd Appearance	
Eastern Carolina Council	Elaine Patterson(Re-Appointment) 2nd Appearance	

Item No. 24 was Items from the County Manager. Mr. Jarman shared, a video from the North Carolina Association of County Commissioners. Mr. Jarman reminded the Board members that wish to attend the North Carolina Association of County Commissioners (NCACC) Assembly Day, on May 28th to register by May 14th. Mr. Hill shared that Dan Parson and Laura Lee Sylvester, with the Lenoir County Chamber of Commerce informed him that the BBQ Festival was a huge success this weekend. Mr. Hill stated this is what happens when a group of people come together and work together. Mr. Hill stated he would like to review several issues. Mr. Hill stated when changes were made with the Transportation Board a few things were not clear, and he has not been able to get a copy of the by-laws. Mr. Hill stated the last minutes listed on the website were from 2012. Mr. Hill stated another issue was when the Board met in open session regarding the Non-Emergency Transport situation. Before Mr. Dail could meet with his employees, it was out on Mr. Daughety’s facebook account. Mr. Hill stated the posting should not have been until the involved employees could notify their families. Mr. Hill stated the Board can’t continue to communicate private matters like that, because this impedes the Board’s ability to function as a group. Mr. Hill stated the Board should allow the press to be the public’s voice, because we want to be open. Mr. Hill stated he has tried to handle this situation in private, but it has not worked, so all commissioners should be careful in how we communicate private information.

Mr. Daughety stated he assumed the information was public, since the Board was being informed. Mr. Daughety stated he felt it is his duty to share with the public, once we talk about something in a public meeting. Mr. Jarman stated he asked the Board to give Mr. Dail time to meet with his employees and allow them to discuss the information with their family members. Mr. Jarman stated when we were talking about the situation, Mr. Dail had not shared it with the employees, so it was not considered Public Information.

Upon a motion by Mr. Davis and a second by Ms. Brown the meeting was recessed at 11:25 a.m.

Respectfully submitted,



Vickie F. King
Clerk to the Board

Reviewed By



Michael W. Jarman
County Manager

MINUTES
LENOIR COUNTY BOARD OF COMMISSIONERS
BUDGET PLANNING WORK SESSION
ADMINISTRATION BUILDING CONFERENCE ROOM
APRIL 22, 2014

The Lenoir County Board of Commissioners began their scheduled Budget Work Session on Tuesday, April 22, 2014 at 2:12p.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 Daugherty, Reuben Davis and Eric Rouse

Members Absent: Linda Rouse-Sutton

A motion was made by Mr. Hill and second by Ms. Brown to excuse Commissioner Linda Rouse Sutton.

Also present were: Michael W. Jarman, County Manager; Tommy Hollowell, Assistant County Manager; Martha Martin, Finance Officer; Vickie F. King, Clerk to the Board; Department Managers, Bill Ellis, Susan Moore, Dr. Brantley Briley, Debra Sutton, Jenny Miller, Roger Dail, Mike Wiggins; Dr. Brantley Briley and Debra Sutton from Lenoir Community College; Jenny Miller from Department of Social Services and media.

Dr. Brantley Briley, President of Lenoir Community College stated Lenoir Community College has presented statistics in the past, for the purpose of comparing community colleges within our region. Dr. Briley stated, funding per FTE and footage has increased from \$574,000 to \$1.6 Million. Dr. Briley stated he appreciates the Board's past budget allocations; however, things beyond their control require a larger budget. Dr. Briley stated that Series 2000 bond funds are depleted. Dr. Briley stated Lenoir Community College is dependent on the Lenoir County allocation. Dr. Briley stated that leaks from skylights, an asbestos situation, and mold problems had to be rectified. Dr. Briley stated his goal is to budget correctly, and not come back to Lenoir County to request additional funding during the year. Dr. Briley stated Lenoir Community College is requesting a slight increase, to cover the unexpected events, because they don't have bond money to fall back on. Dr. Briley stated it is LCC's desire to continue to increase, the number of students who matriculate, to four year institutions. Dr. Briley stated they are continuing to seek additional funding, through grant opportunities and

the LCC Foundation, to enhance the programs of the College. Dr. Briley stated Lenoir Community College is Lenoir County's best hope. Mr. Hill thanked Dr. Briley for the presentation.

Ms. Susan Moore, Director of the Department of Social Services stated the Department of Social Services budget, will remain the same throughout the fiscal year, without any anticipated increases. Ms. Moore shared the Department of Social Services Mission Statement, federal mandates and, non mandated services. Ms. Moore stated, only a portion of the expenditures, and revenues, for Social Services flow through Lenoir County's Finance Office. Ms. Moore stated, since 2001 DSS has reverted over \$10 million to the County. Ms. Moore shared major DSS program areas, and the percentages that each of the department's budget: along with local expenditures: Medicaid 19%, Special Assistance 6%, Food & Nutrition Services 11%, Work First Family Assistance 6%, Work First Employment 1%, Child Day Care Services 18%, Adult Social Work Services 14%, Child Welfare Social Work Services 16% and Child Support Services 9%. Ms. Moore stated, how monies generated from DSS stay in Lenoir County, at grocery stores, doctor's offices, group homes, drug stores, medical transportation, etc. Ms. Moore stated, DSS has been a good steward of Lenoir County monies. Mr. Hill thanked Ms. Moore for the presentation.

Mr. Jarman stated, Sheriff Hill's original request was for four more deputies. Mr. Jarman stated, his concern was that the County's population has not grown, crime statistics are down, and he could not see the justification. Mr. Jarman stated, as of late yesterday afternoon, Sheriff Hill decided not to move forward with his request for new officers at this time. Mr. Jarman opened the floor for review and questions.

Mr. Bill Ellis, Director of Parks and Recreation, stated last year Parks and Recreation did not receive an increase. Mr. Ellis stated health insurance costs, the State rate for retirement, and unemployment insurance has gone up. Mr. Ellis stated, it took \$80,000 - \$1000,000 for one full-time person, and two part-time employees to take care of total grounds maintenance. The department will see a big difference of the level of maintenance this year. Mr. Ellis stated Parks and Recreation had to eliminate programs, and activities to stay within budget. Mr. Ellis stated Parks and Recreation will host a Division One College Conference Baseball Tournament, and next year will host the World Series. Mr. Ellis stated this type of activity will generate monies and recognition for Lenoir County. Mr. Hill thanked Mr. Ellis for the presentation.

Mr. Jarman stated he is recommending \$855,529 of the requested \$900,760 for Parks and Recreation. Mr. Jarman stated changes will be made to properly compensate the employees that work for the County in Parks and Recreation. Mr. Jarman stated, he would like

the Board to weigh in on this situation and offer their opinions. Mr. Jarman stated, new projects like the Water Park, River Walk, and Soccer Complex are great ideas but we cannot keep up with the maintenance of these new projects. Mr. Jarman stated, at this time his recommendation is to not move forward with the construction of a new Soccer Complex.

Mr. Hill stated a soccer complex would be great for the community, but the up keep is too expensive, especially with the use of reel mowers for turf. Mr. Hill asked, with our current capacity of soccer games/fields, is there space to play the soccer games? Mr. Hill stated he thinks all of us would like to see this done, but a lot of questions remain at this time. Mr. Ellis stated for a full-time person to properly maintain turf grass, approximately \$15,000-20,000 in chemicals are needed to spray, and maintain, so it would probably take about \$100,000 a year for up keep of the soccer complex. Mr. Ellis stated he has taken this project to the Parks and Recreation Department, and they agreed this project might bring a ton of folks to our area, but it would require a great deal of maintenance.

Mr. Jarman asked for the Board's recommendation regarding membership in the Eastern Carolina Council. Should the County only participate in the Rural Planning Organization and Aging, or pay the membership fee of \$2,428 to join the ECC. Mr. Hill asked, what did the County get for \$2,400. Mr. Rouse stated with the dues, we are allowed to become a voting member. Mr. Daugherty stated, he suggested we maintain status quo for another year. Mr. Hill stated he thought we should maintain where we are. Upon a motion by Mr. Rouse and second by Mr. Daugherty, the Board voted unanimously to not pay regular membership dues to the Eastern Carolina Council at this time.

Mr. Jarman stated as far as the non profit agencies, his recommendation would be to continue to fund the ones we are currently funding. Mr. Jarman stated another option would be for the agencies to make requests to the Board. Mr. Hill stated although The Pride of Kinston and SAFE have done a great job within the community, it's not feasible to add new agencies at this time. Mr. Hill stated if we begin to open our doors to agencies like that, we will become overwhelmed with requests. Mr. Jarman asked for a decision on funding or not funding all the agencies at this time. Upon a motion made by Mr. Daugherty and second by Mr. Best, the Board voted unanimously not to fund The Pride of Kinston and SAFE at this time.

Mr. Dail stated, the Volunteer Fire Departments have tried hard to get grants to fund a radio upgrade. Mr. Rouse stated, we should not be expected to fund the Kinston Public Service portion. Mr. Rouse stated, he would prefer to see a break down prior to making any decisions.

Upon a motion made by Mr. Daughety and second by Mr. Davis the Board voted unanimously to include a one time request in the amount of \$58,000 to fund radio upgrades for members of the Volunteer Fire Fighters Association in the Lenoir County Budget Planning if possible.

Mr. Jarman shared an email from Sheriff Hill regarding the use of Lenoir County School Resource Officers during the summer months. Sheriff Hill's email stated he was looking at plans to create an inmate work crew to be supervised by Resource Officers during summer months.

Upon a motion by Mr. Rouse and second by Ms. Brown the Board voted unanimously not to fund the request for funds for Resource Officers.

The meeting recessed at 3:54 P.M.

MINUTES
LENOIR COUNTY BOARD OF COMMISSIONERS
BUDGET PLANNING WORK SESSION
ADMINISTRATION BUILDING CONFERENCE ROOM
MAY 05, 2014

The Lenoir County Board of Commissioners began their scheduled Budget Work Session on Monday May 05, 2014, at 11:25a.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 Daugherty, Reuben Davis and Eric Rouse, Linda Rouse-Sutton

Also present were: Michael W. Jarman, County Manager; Tommy Hollowell, Assistant County Manager; Martha Martin, Finance Officer; Vickie F. King, Clerk to the Board; Department Managers, and media.

Mr. Jarman stated he will forward the FY14-15 Submitted Budget for the Board's review within a few days.

Mr. Jarman compared the projected FY14-15 General Fund Budget to the FY13-14 Adopted Budget. Mr. Jarman stated the increase in the General Fund Budget for FY14-15 is \$827,860 or 1.29% with the following breakdown: General Departments \$6,306; Public Assistance (Health & DSS) \$503,489; Other County Departments \$145,186; and Transfers \$172,879. Even though Public Assistance shows a large increase in spending, actual County dollars expended in these programs is reduced for FY14-15.

Mr. Jarman explained the Summary of Expenditures by Department. Mr. Jarman stated the increase in the expenditures for General Fund County Departments is only 0.03% and County Departments should be commended for holding-the-line. Mr. Jarman stated the Non-Departmental increase of 19.33% is mainly due to the escalated cost for property and liability insurance. The additional allocation to Lenoir Community College is to help offset salary increases for maintenance workers at the college (the County pays the salaries of these workers). Mr. Jarman stated the County is recommending no changes to the Health Insurance Plan at this time. We have been very fortunate to not have huge increases in our Health Insurance costs. Mr. Jarman explained that the funding for the Lenoir County Public Schools represents 15.2% of the County's General Fund Budget; however, this is misleading, because of the

debt service on school bonds paid each year by the County. When debt service payments are included, the percentage grows to 24% of the County's General Fund Budget.

Mr. Jarman summarized the projected General Fund revenues for FY14-15. The breakdown of those revenues is: Property Taxes \$33,623,538; Sales Tax \$6,150,000; Sales, Services & Other \$7,478,404; Intergovernmental \$14,861,972; Appropriated Fund Balance \$2,927,604; Total \$65,041,518. Mr. Jarman informed the Board that a County may only budget expected property tax revenues at a rate no larger than the prior year's property tax collection rate percentage. For the FY14-15 Budget, that rate is 94.56%.

Mr. Jarman reviewed the summary of positions for FY14-15. The Jail added three positions. Lenoir County Transit added five positions. These five fulltime positions were created from part-time positions to reconfigure driver scheduling. By creating these five new positions, Transit will be able to keep part-time drivers' hours below 30 hours to comply with the definition of part-time employees as defined in the Affordable Healthcare Act (Obama Care). This will also keep part-time drivers' hours below 1,000 per month, which will comply with the definition of part-time employees as defined by State law. The Board of Commissioners added one position. This addition reinstated the Clerk to the Board as a fulltime position. In the prior year the Clerk's duties were divided among several employees. Mr. Jarman stated Non-Emergency Transport abolished seven positions. Communications abolished one position and the Tax Department abolished two positions. The net effect of all of these changes is an overall reduction of two fulltime positions from the County's Pay and Classification Plan for FY14-15.

Mr. Jarman reviewed the salary and benefits for FY14-15. He stated that he had not included a salary increase in the Budget at this time. If the Board chooses to include a salary increase, the cost would be as follows: 1% increase in salaries and benefits equals \$177,000; 2% increase equals \$354,000; 2.5% increase equals \$442,500; and a 3% increase equals \$531,000. Mr. Jarman recommended that the Board take a serious look at a salary increase, because a recent in-house pay study showed the salaries of County employees to be woefully behind other counties of similar size and tax bases. Mr. Jarman stated Lenoir County has a good benefit package, which is similar to plans of other Local Government Units, and no changes are recommended at this time.

Mr. Jarman stated local governments and private employers are experiencing a geometric increase in health insurance cost. This situation could occur in Lenoir County. We are fortunate this year the major cost increases in health insurance were not impacted on us, and we did not have to increase premiums for employees nor the County as employer. We will monitor our health costs closely and it is not sure if we can hold-the-line on health costs increases another fiscal year.

Mr. Jarman stated Lenoir County has lost \$3.7 million in lottery funds since the N.C. General Assembly enacted legislation that redirected lottery funds from the counties and kept them to pay the salaries of teachers. The NCAACC has made the reinstatement of lottery funds to counties, as originally enacted by legislation, its major goal for the upcoming legislative session. Mr. Jarman shared a history of county funding for the Lenoir County Public Schools. In FY05-05, the combined capital and current expense provided by the County to the schools was \$9,155,724. In FY14-15 that amount will be \$16,036,664.

Mr. Jarman briefly reviewed outside agencies, requested vs. recommended funding, for FY14-15. The recommended funding for outside agencies is \$347,000 less than the requested funding. The Lenoir County Public Schools have not yet submitted their request.

Mr. Jarman shared the projected General Fund expenditures and revenues for FY14-15. General Fund expenditures totaled \$65,041,518 and revenues totaled \$62,113,914. Fund balance appropriated equaled \$2,927,604. The revenues budgeted include an additional \$1,200,000 from sales taxes housed in the School Capital Fund. This will be used for School Bond debt service payments. Mr. Jarman shared the projected fund balance usage for the next five years, but stated this is a worst case scenario, and Administration will do everything possible to keep expenses down and increase recurring revenues. He also shared projected fund balance usage with a historical adjustment. Historically we expend approximately 98.5% of budgeted expenditures and collect 101% of budgeted revenues. Administration always budgets conservatively, but with the recent recession, budgeted revenues have been closer to being accurate.

Mr. Jarman reviewed some of the major changes in expenditures in some departments. In Emergency Services, Cardiac Monitors have a suggested life of five years and ours are now seven years old, so they are being replaced. Mr. Jarman stated Health and DSS show a 2.83% increase. New legislation enacted by the General Assembly requires County Health Departments to budget local funds in an amount no less than there FY09-10 Budgets. The Lenoir County Health Department's appropriation of local funding for FY14-15 is less than that amount, but the Health Director is corresponding with the State and justifying the appropriation, so as not to be in violation of the new State law. Even though Health and DSS expenditures are up 2.83%, actual County dollars budgeted are less than FY13-14.

Mr. Jarman stated Mr. Peedin, with Veterans Affairs, is currently requesting office space from the County, and we do not have adequate space at this time. Mr. Jarman stated we have buildings but we will have to spend monies to make them ready for occupancy. Mr. Davis stated it looked like they would have space at the new Veterans home until it is 100% occupied.

Mr. Jarman stated Cooperative Extension shows a decrease in their budget. This decrease resulted because the department went from a full time agent to sharing an agent with another County. Mr. Jarman stated we do not have the school budget as of yet, and they

officially have until May 15th to submit. Mr. Jarman stated the Public Library had requested funding to pave parking lot areas that are in bad condition, Mr. Jarman stated the City is paying a third and the Library is asking the County to contribute a third as well. Parks & Recreation shows an increase of \$56,000. This results from a 32% increase in health insurance costs for City employees. The County must increase its contribution to Parks and Recreation because a portion of their employees work exclusively at County recreation facilities outside the city limits of Kinston. Mr. Jarman stated the City pays an outside provider \$8,700 per year/ per employee for health insurance and the County is currently at \$6,453. Except for employee benefits and salaries increases, the Parks and Recreation budget is being held at the same level.

Mr. Jarman stated property taxes are slightly down 15%. Mr. Jarman stated the law requires counties to budget property tax revenues at no more than their property tax collection rate from the prior year. Even though our total tax valuation has increased, the collection rate of 94.56% was slightly down from the prior year rate of 94.83%. This resulted in the slight decrease in the property tax levy for FY14-15. Mr. Jarman stated that approximately 52% of our revenue comes from property taxes. Mr. Jarman stated sales taxes are budgeted at the same amount as in the prior year. Mr. Jarman stressed the need to keep an adequate fund balance for emergencies and Administration will continue to strive to attain the Board recommended fund balance goal of 20%.

Comments/Discussions

Chairman Hill stated in regards to employee insurance, the County is on borrowed time. Mr. Hill encouraged everyone to look at the public school's formula to see if they agree with our funding contribution. Mr. Hill stated we need to keep pushing our legislators for the lottery funding.

Mr. Davis stated he would like to see the 1/4% sales tax pass. Mr. Davis stated it is extremely important for the Commissioners to do what they were elected for and to do the right thing to move the County forward.

Chairman Hill stated one reason for putting the sales tax on the ballots now is that it would fall in line with long term planning. The hospital currently makes a \$500,000 annual payment to the County from the sale several years ago, and that money might go away at some point in time if the hospital merges or sells to another entity. If we are going to move forward with putting the 1/4% sales tax on the ballot, we have to come together and work to get it passed.

Mr. Davis stated some of the people who opposed this in the past must be educated to understand what it is and that it is the fairest tax. We need to explain what it will be used for how a portion of the tax will be paid by persons passing through the County.

Mr., Jarman stated he would like to see employees get a salary increase because we are still 9-10% behind comparable counties.

Mr. Davis suggested a 2% increase for employees and Mr. Best agreed. Mr. Rouse asked where the money would come from? Mr. Rouse asked to wait until he can review the entire budget.

The meeting recessed at 1:25pm