

## MINUTES

### LENOIR COUNTY BOARD OF COMMISSIONERS

May 6, 2013

The Lenoir County Board of Commissioners met in open session at 9:00 a.m. on Monday, May 06, 2013, in the Board of Commissioner Main Meeting Room in the Lenoir County Courthouse at 130 S. Queen St., Kinston, NC.

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

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

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

### PUBLIC INFORMATION

Dr. Stephen Mazingo, Superintendent, Lenoir County Public Schools, spoke about challenging times and making tough choices. He stated this is a year in which revenues are up for the state but \$1.5 million has been cut from the schools' budget. Dr. Mazingo addressed the issue with school safety across the nation. He stated he felt the tragedy at Sandy Hook rose to a whole new level in terms of what is possible and what can happen in our schools. He stated Sandy Hook had the right things in place except for an armed trained officer. Dr. Mazingo stated, in his opinion, our schools need someone with law enforcement training in place on a daily basis. He said he was not asking for capital money, but asking the Board to consider a start in increasing the number of resource officers each year, so in time, we have one in each school. Dr. Mazingo states he was encouraged at first with the state grants that were there for resource officers, but that money has been stripped from that state bill. He stated he doesn't think Congress will provide for funds on the Federal level. Dr. Mazingo stated he knows the Sheriff is applying for grants to help offset costs of Resource Officers. Dr. Mazingo gave the figures it would cost to provide additional officers. He stated he realizes there are many needs in this county, but he asked the Board to consider this request, to make our schools as safe as possible. Dr. Mazingo stated he wants an officer in every school, but knows that is not currently feasible. He stated if he had two additional officers, then he would have officers who were more readily available to each school. Mr. Mazingo stated in the last two weeks he has had two cases in the elementary schools where the principal was afraid of what a parent might do. He stated he needed an officer present every day in middle schools and high schools. Dr. Mazingo stated the schools currently reimburse the county for the officers they use, but currently they do not have funds available to

put additional officers in place. Mr. Davis said he appreciated Mr. Mazingo coming, and would take his request under advisement in the budget work session. Mr. Hill stated the resource officer is pro-active in the school and what he does goes beyond the salary it costs. Ms. Sutton concurred that it can be very threatening whenever parents go on campus. Ms. Brown stated she thought it would prohibit people from bypassing the office and going straight to a teacher's classroom if they knew an officer was on duty. Mr. Daughety asked Dr. Mazingo how the current officers are funded. Dr. Mazingo stated they are funded by the school system and these monies come from state funds labeled At Risk monies to reimburse the County and City. He stated if he had extra funds he would pay for the two additional officers.

Upon a motion by Ms. Brown and a second by Ms. Sutton, Commissioner Roland Best was excused from the meeting.

### **ITEMS FROM THE CHAIRMAN/COMMISSIONERS**

Mr. Davis stated he went to the new Veterans' home last week. He said there were about six residents there at that time. Mr. Davis stated they do have a program for volunteers and he feels that would be gratifying to both the institution and the volunteer. He stated they are filling the beds slowly to allow time for proper training. Mr. Davis stated the employees appeared to be extremely cordial and professional. He encouraged everyone to visit.

### **ITEMS FROM THE COUNTY MANAGER**

Mr. Jarman stated Mr. Best was to be at TACC 9 tomorrow and asked if someone would volunteer to be present to discuss today's meeting. Mr. Hill volunteered to be on TACC 9 tomorrow. Mr. Jarman stated County Assembly Day is Wednesday, May 22, 2013. He stated he did not need an answer today, but to look at what is going on for the entire day and talk about who will want to attend.

### **CONSENT AGENDA**

3. Approval of Minutes: Regular Board Meeting – April 15, 2013
4. Budget Ordinance Amendment: Finance/Sheriff's Department: \$2,487: Increase

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

## **BUDGET ORDINANCE AMENDMENTS/RESOLUTIONS**

Item No.5 was a Resolution Approving Presentation of Badge and Service Weapon to Retiring Captain Archie Collins Bruton, Jr. The Board is requested to authorize Sheriff Hill to present to retiring Captain Archie Collins Bruton, Jr., his Lenoir County Sheriff's Office badge and Glock.45 caliber service weapon pursuant to state law and past county practices. Captain Archie Bruton began his law enforcement career with the Lenoir County Sheriff's Office on December 6, 1993. Prior to this time, Captain Bruton had been a police officer with the LaGrange Police Department before it merged with the Sheriff's Office. North Carolina retirement rules state that an officer must have 30 years of credible service or be age 55 with at least 15 years of credible service to retire. Captain Bruton has the appropriate amount of time to retire, which became effective April 30, 2013.

North Carolina General Statute 20-187.2 provides for the presentation of an officer's badge upon his retirement and also provides for the governing body, in its discretion, to present the retiring officer with his service weapon after he receives a permit. Captain Bruton received a handgun permit in April of 2013, which was made part of his personnel file.

A number of law enforcement officers retire each year in various state and local jurisdictions within North Carolina. In these instances, the officers have been presented with their badge and service weapon. In keeping with the North Carolina General Statutes and local government practices, it is recommended that Captain Bruton be presented with his badge and Glock .45 caliber service weapon (serial number NNN890).

Jackie Brown, County Commissioner, thanked Captain Bruton for his services to Lenoir County, read the resolution and presented him his Badge and Service Weapon.

Captain Bruton stated he honored his Lord and Savior Jesus Christ for looking over him and that it had been an honor and pleasure to serve the citizens of Lenoir County. He thanked the Commissioners for their support and Former Sheriff Smith for giving him the opportunity to serve. Captain Bruton asked that Lenoir County continue to keep the employees in the forefront and try to keep the employees here. Upon a motion by Ms. Sutton and a second by Ms. Brown Item No. 5 was unanimously approved.

Item No.6 was a Resolution Approving Presentation of Badge and Service Weapon to Retiring Captain James Patrick Oldenburg. The Board is requested to authorize Sheriff Hill to present to retiring Captain James Patrick Oldenburg, his Lenoir County Sheriff's Office badge and Glock.45 caliber service weapon pursuant to state law and past county practices. Captain Jim Oldenburg began his law enforcement career with the Lenoir County Sheriff's Office on November 9, 1998. North Carolina retirement rules state that an officer must have 30 years of credible service or be age 55 with at least 15 years of credible service to retire. Captain Oldenburg has the appropriate amount of time to retire, which became effective April 30, 2013.

North Carolina General Statute 20-187.2 provides for the presentation of an officer's badge upon his retirement and also provides for the governing body, in its discretion, to present the retiring officer with his service weapon after he receives a permit. Captain Oldenburg has a current concealed handgun permit.

A number of law enforcement officers retire each year in various state and local jurisdictions within North Carolina. In these instances, the officers have been presented with their badge and service weapon. In keeping with the North Carolina General Statutes and local government practices, it is recommended that Captain Oldenburg be presented with his badge and Glock .45 caliber service weapon (serial number NNN887).

Sheriff Hill introduced Captain Oldenburg to the Board and stated he hated to see him leave.

Linda Rouse-Sutton, County Commissioner, thanked Captain Oldenburg for his services to Lenoir County, read the resolution and presented him his Badge and Service Weapon. Ms. Sutton stated she considered this an honor.

Captain Oldenburg thanked the Board for today and stated he would like to say two things. He stated number one, it is about the word serve. He stated to serve means to sacrifice family as well as community. Captain Oldenburg asked that it not be forgotten whenever they are out there. He stated people today don't realize how much effort goes on behind the scenes. Captain Oldenburg stated the Sheriff's office is an example of the good and bad that happens everywhere in this county. He stated the last thing he would like to say is to his wife and son He thanked them for all their years of support during the twenty years in the army and 15 years with sheriff's office. He also thanked his brother in law, sister and nephew. Upon a motion by Ms. Sutton and a second by Ms. Brown Item No. 6 was unanimously approved.

Item No.7 was a Proclamation proclaiming May as "Mental Health Month". Mr. Hill read the Proclamation to the Board and upon a motion by Ms. Brown and a second by Mr. Daughety, Item No. 7 was unanimously approved.

Item No. 8 was a Proclamation proclaiming May as "Foster Care Month". Ms. Sutton read the Proclamation to the Board and upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 8 was unanimously approved.

Item No. 9 was a Proclamation proclaiming May as "Vulnerable Adults and Elder Abuse Awareness Month". Ms. Brown read the Proclamation to the Board and upon a motion from Mr. Hill and a second from Ms. Brown, Item No. 9 was unanimously approved.

Item No. 10 was a Budget Ordinance Amendment: General Fund: Health: (Adult Health-CDC-TB): \$8,470: Increase: Mr. Joey Huff, Health Department Director, stated the Budget Amendment is to appropriate additional funds made available from CDC. 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: Fire Districts: Fire Protection: \$118,899: Increase: Ms. Martha Martin, Finance Officer, stated the Budget Amendment is to appropriate funds to cover estimated revenues and expenditures for all fire districts for the remainder of FY 12-13. Upon a motion by Ms. Sutton and a second by Mr. Daughety, Item No. 11 was unanimously approved.

Item No. 12 was a Resolution approving the Sheriff to apply for the COP'S Grant. Mr. Chris Hill, Lenoir County Sheriff, stated the Board is requested to allow him to apply for the 2013

COPS grant, which if approved, will allow him to hire one school resource officer. Because of recent events surrounding schools, it is imperative that we increase our efforts in protecting our children as they attend school. The COP's grant will fund 75% of an officer's salary and benefits, with the remaining amount funded by the county. The grant will run for three years at which time the position must be absorbed by the county or abolished. Sheriff Hill stated the county would have to pick up the 25% for the next three years. He asked the Board take this very seriously because it was hard to hire someone if their job would only last for a three year span. The approximate salary of the position is \$29,524 with benefits of \$12,576 for a total of \$42,100. The county's portion of this position is \$10,525 for each year of the grant. The Sheriff should be able to fund the officer's equipment from his operating budget and or from asset forfeiture funds. It is the Sheriff's intention to assign this officer to all of the elementary schools in the county. Although there are five elementary schools outside the City of Kinston, he or she will have a presence at each of these schools at various times. While this is a lot of area for one officer to cover, it is a starting point for enhancing safety in our elementary schools. Mr. Davis stated the Board could approve the request but could not assure him that after three years it would be an ongoing thing. He stated there could be a change in the composition of the Board. Mr. Hill said the balance would partially be paid from FSP funds. Mr. Griffin asked Sheriff Hill if he knew he would get this grant and Sheriff Hill stated he did not know - it would have to be applied for. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 12 was unanimously approved.

Item No. 13 was a Resolution Approving the Name of the Lenoir County Jail as the W.E. "Billy" Smith Detention Center. Sheriff Hill stated the Board is requested to dedicate and formally name the new Lenoir County Jail as the W.E. "Billy" Smith Detention Center. Because of Sheriff Smith's dedication to the people of Lenoir County and his tireless efforts to expand the jail system in Lenoir County, it is only fitting to have the new Lenoir County Jail building named the W.E. "Billy" Smith Detention Center. Therefore, Sheriff Christopher Hill, formally requests that the Lenoir County Jail be named the W.E. "Billy" Smith Detention Center. Sheriff Hill stated that Former Sheriff W.E. "Billy" Smith is a fixture in the hearts of many in Lenoir County and Sheriff Hill desires to make his name a permanent fixture on the new jail. Sheriff Hill further requests, that he and the County Manager determine the appropriate type of signage and best location of that signage on the new jail building. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 13 was unanimously approved.

Item No. 14 was a Resolution Approving Purchase Order to Wal-Mart for FY 12-13: \$3,504: Ms. Susan Moore, Director of Department of Social Services, stated the Board is requested to authorize the Social Services Director to execute a purchase order to Wal-Mart for FY 12-13 in the amount of \$3,504. The blanket purchase order is necessary in order for the agency to ensure that the educational needs of our older foster children 13 years of age and older are being met. These funds are 100% Federal funds and require no County match. Upon a motion by Ms. Brown and a second by Ms. Sutton, Item No. 14 was unanimously approved.

Item No. 15 was a Budget Ordinance Amendment: Endorsement of the Revised FY 12-13 Lenoir County Home and Community Block Grand Funding Plan: \$1,524: Ms. Susan Moore, Director of Department of Social Services, stated the Board is requested to endorse the revised FY 12-13 Lenoir County Home and Community Care Block Grant funding plan in the amount of \$ 510,361.

Home Care Community and Block Grant provides essential services such as providing meals, providing transportation, in-home aide care, adult day care and senior center operations to the elderly population of Lenoir County, HCCBG funds are 90% Federal and State funds requiring 10% County match. Upon a motion by Ms. Sutton and as second by Ms. Brown, Item No. 15 was unanimously approved.

Item No. 16 was a Budget Ordinance Amendment: Endorsement of the 2<sup>nd</sup> Revised FY 12-13 Lenoir County Home and Community Care Block Grant Funding Plan to include the \$6,790 cut due to Sequestration. Ms. Susan Moore, Director of Department of Social Services stated the Board is requested to endorse the revised FY 12-13 Lenoir County Home and Community Care Block Grant funding plan in the amount of \$503,571. Home Care Community Block Grant provides essential services such as providing meals, providing transportation, in-home aide care, adult day care and senior center operations to the elderly population of Lenoir County. HCCBG funds are 90% Federal and State funds requiring 10% County Match. Upon a motion by Ms. Brown and a second by Ms. Sutton, Item No. 16 was unanimously approved.

Item No. 17 was a Resolution Approving an Easement to NC Department of Transportation. Mr. Mike Jarman, County Manager, stated the Board is requested to grant an easement on property owned by the County of Lenoir, located on Wallace Family Road, Kinston, N.C. The NC Department of Transportation will be able to upgrade the bridge over Briery Run on Wallace Family Road when this easement is granted. NC Department of Transportation will compensate Lenoir County the sum of \$250 for the easement. He stated the okay was received from the Office of State Emergency Management. Upon a motion by Mr. Hill and a second by Ms. Sutton, Item No. 17 was unanimously approved.

Item No. 18 was a Resolution Approving an Easement to Progress Energy Carolinas, Inc. Mr. Mike Jarman, County Manager, stated the Board is requested to grant an easement to Progress Energy Carolinas, Inc. on property owned by the County of Lenoir, located on Wallace Family Road, Kinston, N.C. Progress Energy will be able to relocate the guy wire anchor on the existing power pole located on the deed restricted lot. Upon a motion by Ms. Brown and a second by Ms. Sutton, Item No. 18 was unanimously approved.

Item No. 19 was a Resolution by the Board of Commissioners Selecting CDBG Project Administrator. Ms. Martha Martin, Finance Officer, read the Resolution to the Board. Upon a motion by Ms. Brown and a second by Ms. Sutton, Item No. 19 was unanimously approved.

Item No. 20 was a Resolution by the Board of Commissioners Selecting CDBG Project Attorney. Ms. Martha Martin, Finance Officer, read the Resolution to the Board. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 20 was unanimously approved.

Item No. 21 was a Resolution by the Board of Commissioners Selecting CDBG Project Engineer. Ms. Martha Martin, Finance Officer, read the Resolution to the Board. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 21 was unanimously approved.

Item No. 22 was a Resolution by the Board of Commissioners of the County of Lenoir Authorizing Execution of SFR Documents. Ms. Martha Martin, Finance Officer, read the Resolution to the Board. Upon a motion by Mr. Daughety and a second by Ms. Brown, Item No. 22 was unanimously approved.

Item No. 23 was a Resolution Approving the Authorized Signers of Single Family Rehabilitation Program (SFR 13) Requisitions for Funds. Ms. Martha Martin, Finance Officer, stated the Board is requested to authorize the following persons to sign Requisition for Funds form for reimbursement of Single Family Rehabilitation Program funds: Michael Jarman, County Manager; Thomas L. Hollowell; Assistant County Manager; Martha H. Martin, Finance Officer; and Rose Fox, Accounting Specialist. The Wooten Company approached the County Manager in January of 2013 and asked if they could submit an application to the North Carolina Housing Finance Agency for Single Family Rehabilitation funds for Lenoir County. The Wooten Company will provide a Program Administrator and a Rehabilitation Specialist to take care of the entire project. The funds will be made available to homeowners who inhabit their dwelling, are 80% below the area median income, are either elderly or disabled and meet certain other criteria that are outlined in the County's Assistance Policy. These funds will be made available as a loan rather than a grant. However, the loan will be forgiven at a rate of \$3,000 per year. The smallest amount of rehab work that will qualify is \$5,000 and the maximum amount will be \$45,000. These funds will assist in rehabilitating approximately four to six homes in Lenoir County. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 23 was unanimously approved.

Item No. 24 was a Budget Ordinance Amendment: 2012 CDBG Program. Ms. Martha Martin, Finance Officer, presented the Ordinance to the Board. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 24 was unanimously approved.

Item No. 25 was a Resolution by the Board of Commissioners Authorizing Execution of CDBG Documents. Ms. Martha Martin, Finance Officer, read the Resolution Authorizing Execution of CDBG Documents to the Board. . Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 25 was unanimously approved.

Item No. 26 was a Resolution Financial Management Resolution 2012 CDBG Scattered Site Project. Ms. Martha Martin, Finance Officer, read the Resolution Financial Management Resolution 2012 CDBG Scattered Site Project to the Board. Upon a motion by Ms. Brown and a second by Ms. Stroud, Item No. 26 was unanimously approved.

Item No. 27 was a Resolution Approving the Department of Juvenile Justice and Delinquency Prevention's FY 13-14 Grant Funding for the Lenoir County Juvenile Crime Prevention Council: \$206,571: Ms. Martha Martin, Finance Officer, stated the Board is requested to approve the FY 2013-2014 Department of Juvenile Justice and Delinquency Prevention's (DJJDP) grant allocation of \$206,571 for the Lenoir County Juvenile Crime Prevention Council and the recommended Program allocations.

The Lenoir County Juvenile Crime Prevention Council (JCPC) met in regular session on April 8, 2013 and unanimously approved recommending to the Lenoir County Board of Commissioners that available DJJDP's grant funds in the amount of \$206,571 are approved for the Juvenile Crime Prevention Council and allocated as follows for FY 2013-2014: Structured Day Reporting Center and Restitution Program \$133,348, Parenting Matters \$35,194, Teen Court \$33,029, Administrative Funds \$5,000. The total is \$206,571. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 27 was unanimously approved

Ms. Brown stated she wanted to add that the annual legislative breakfast will be on May 20, 2013 and advised the Board they would be receiving an invitation.

**APPOINTMENTS**

Item No. 28 was a Resolution Approving Citizens to Boards, Commissions; Etc.

<b><u>BOARD/COMMITTEE/COMMISSION</u></b>	<b><u>APPLICANT/CURRENT MEMBER</u></b>	<b><u>TERM EXPIRATION</u></b>
Lenoir County Board of Health	Randy G. Jones 2 <sup>nd</sup> Appearance	April 2017
Lenoir Community College Board of Trustees	Tom Salter 2 <sup>nd</sup> Appearance	June 2017
Lenoir County ABC Board	Wiley Dawson (Re-Appointment) 1 <sup>st</sup> Appearance	June 2017

Upon a motion by Ms. Brown and a second by Mr. Daughety Item no. 28 was approved.

Mr. Jarman presented a letter to the Board from Mr. Ken Jones, Eastpointe. He stated Eastpointe's Board structure is being changed by the General Assembly. Mr. Jarman stated there are currently two representatives, Ms. Emily Moore and Ms. Rita Hodges, and said now there will be only one representative, and they will have to be chosen before July 1.

**CLOSED SESSION**

A motion was made by Ms. Brown and seconded by Ms. Sutton to go into closed session at 9:55 a.m. with the following cited: Number four (4) To discuss matters relating to the location or expansion of industries other businesses in the area served by Lenoir County. No action was taken.

**OPEN SESSION**

Upon a motion by Ms. Brown and a second by Mr. Sutton open session was resumed at 10:15 a.m. Mr. Davis stated the Board went into closed session to discuss Economic Development issues and no action was taken. The Board was recessed to go to the Tax Office for Budget Work Session at 10:17 a.m.

## BUDGET WORK SESSION

Mr. Davis reconvened the meeting at 10:35 a.m.

Mr. Jarman stated the budget is not a simple thing and certain services are required. He stated about 70% of the budget is mandated and there is only 30% that Commissioners have control over. Mr. Jarman thanked everyone who had worked on the budget. He stated one example of department heads working together to reduce cost was the reduction from five postage machines to two machines and after July 1, 2013 there will be only one machine located at the Tax Building. All departments will carry their mail to one location.

Mr. Jarman stated that Captain Bruton mentioned the employees and he wanted to reiterate that the employees as well as the department heads were to be commended. He stated he appreciated the "lack of complaints" as we continue to cut budgets.

Mr. Jarman presented the slide presentation. He stated the numbers he has at this point have been compiled to show the 2013-2014 projected expenditures at \$63,789,826. 2012-2013 was at \$63,220,427 so this is an increase over last year's budget of \$569,399. Mr. Jarman summarized the major increases. He reviewed the Summary of Expenditures and Ms. Sutton stated she would like to commend the Department Heads. Mr. Jarman stated several different things have been done such as reviewing the phone lines, multiple fax lines have been eliminated, as technology changes the MIS Department works to assist with the changes. He stated some things have been put on the table and some had been taken off. Mr. Jarman stated the Emergency Medical Department was looking at approximately \$300,000 a year in overtime. He stated they discussed cutting overtime by taking one unit off the road from 4:00 a.m. until 7:00 a.m. for a savings of \$100,000 in a year's time. Mr. Jarman stated the issue with this was during that time frame commuters are leaving for work as well as citizens arising to find health issues in their families and therefore it is not the best time to take a unit out of service. He stated after more consideration this was not included in the budget. Mr. Jarman elaborated on the non-departmental and stated it was up 18%. He spoke about adding the jail, increase in insurance due to the new wind zone and workers compensation as reasons for the increase.

Mr. Jarman stated the abolished positions include, Governing Body, 1 position effective 06/30/13. Human Resources, 1 position effective 06/30/13 and 1 position effective 06/30/14. Economic Development, 1 position effective 06/30/13. Tax, 1 position effective 12/31/13. DSS, 2 positions effective 06/30/13. Register of Deeds and Elections are both converting 1 full time position each to part time. He stated with the implementation of NCFAST, DSS will have reductions over the next 12 -24 months.

Mr. Jarman stated there have been three new positions added. Two positions in Central communication which revenue from Jones County will fund and one Lieutenant position in the Sheriff's Department which revenue from Civil Process Fees will fund.

Mr. Jarman presented the Summary of Authorized Positions. He stated there are 468 full time employees and by the end of the year the previous three mentioned will be off so the total will be 465. Mr. Jarman stated that 290 part time appears to be a lot but 185 of these are Board of Election employees that work on Election Day.

Mr. Jarman presented the Salary and Benefit information. He stated local governments and private employers are experiencing a geometric increase in health insurance cost and this situation could occur in Lenoir County. He stated we are self-insured and have been fortunate this year that we were not impacted by the major cost increase in health insurance. Mr. Jarman stated with being self-insured it could change quickly. He stated that Lenoir County has a good benefit package which is similar to plans of other Local Government units. Mr. Jarman stated no changes are recommended at this time.

Mr. Jarman presented the Salary study and stated based on an In-House Salary Study completed in 2013 Lenoir County Employees salaries are 9% to 10% behind counties with similar populations and tax bases. He stated the employees have had one increase in the last 4 FY's. Mr. Jarman stated a 1% increase it would cost \$180,000. A 2% increase would cost \$360,000. A 2.5% increase would cost \$450,000 and a 3% increase would cost \$540,000. He stated it would take a 2% to off-set the social security increase that we all experienced to put the pay checks back to where they were.

Mr. Jarman stated Dr. Mazingo had presented his request to the Board earlier and it was much more reasonable than what had been requested in the past. He presented the chart and reminded the Board that .05 cent of property taxes have been committed to the school bond, 1.5 million of sales tax is committed and whatever lottery funds are received. He stated as a Board \$4 million dollars per year has been committed for debt service and the debt service for School Bonds alone is \$5,900,000. He stated originally the county was banking money and there was savings to contribute and now there wasn't any. Mr. Jarman stated an extra \$560,000 has been spent in the current year out of the general fund monies after taking the .5 million out of the fund balance.

Mr. Hill asked if there is a department anywhere that has not seen a reduction in their operating cost. Mr. Jarman stated that funding has not been cut to Lenoir Community College, library or the Arts Council. He stated it had been internal to County departments. Mr. Hill stated as much as he would like to see the schools funded he has questions.

Mr. Jarman stated the school bonds were passed by the citizens of Lenoir County and that is where the source to pay for it should come from and not just do it on the backs of the employees.

Mr. Hill stated his concern is if a significant change is not made now, then the same thing will happen in Lenoir County that has happened in Greene County. Mr. Jarman agreed with Mr. Hill.

Mr. Jarman stated that Lenoir Community College's operating budget is \$2.2 million and they are requesting \$2,451,430. He stated according to the presentation by Lenoir Community College staff and "ranked by square foot", they are grossly underfunded. He stated looking at it in a different perspective, Lenoir Community College ranks at #9 by population. Mr. Jarman stated out of the eleven counties eight of these counties are larger than Lenoir. He stated Lenoir is at #2 when looking at the percent of the general fund budget that is going to the community college. Mr. Jarman expressed appreciation for what Lenoir Community College does and stated he believes the Board of Commissioners has made a strong commitment to them. Mr. Jarman summarized the requested vs. the recommended amounts for the outside agencies. He stated he had taken \$48,000 out of the volunteer fire department again and if they need additional monies it should come from the fire district tax.

Mr. Jarman stated the bulk of the County's revenue has always come from property and sales tax. He stated revenue \$600,000 of lottery funds had been lost and the county has to make up the difference out of pocket. He mentioned the jail bond rebate had been cut by 8% and the Emergency Management Grant that pays a small portion of Mr. Roger Dail's salary, also has to be made up. Mr. Jarman stated there are other changes, unemployment insurance, the cost of housing juveniles and the Affordable Care Act, medical safe keeping and the loss of ADM funds that cost the County extra funds. He stated the ADM funds will be exhausted after the 2013-2014 year. Mr. Jarman stated after the funds are exhausted the schools would be coming to the county for funds and Article 40 and 42 funds will have to be utilized. He stated other changes are not costing the county money, but as we lose state and federal monies we have to reduce our services. Mr. Jarman stated this is impacting the county and the citizens in multiple ways.

Next Mr. Jarman presented several slides and charts reflecting a "General Fund Analysis of Lenoir County FY13-14 projected revenues and expenditures". These slides included information concerning historical analysis of our budgets.

Mr. Jarman expressed concern over the situation in Greene County where multiple persons said they were not aware of the situation. He then stated the next portion of the worksession was to make sure the position of the Local Government Association and County Administration was plainly known. First he presented the position of the LGC. He reviewed the Resolution stating intent to proceed with a referendum for Lenoir County general obligation school bonds, approved February 6, 2006 that was approved by LGC stating the need for additional revenue.

Next Mr. Jarman reviewed the recommendation from the FY11-12 Budget. The recommendation was for no tax increase but to work to pass the ¼ cent sales tax. The recommendation stated without the sales tax, the County would need a 4 to 6 cents property tax increase in FY13-14. The FY12-13 Budget recommended basically the same thing. Mr. Jarman stated the recommendation for FY 2013-2014 is to increase the property tax rate 3.5 cents effective July 1, 2013 and reminded the Board that this amount does not provide excess revenue for General Fund expenditures; it only meets the funding requirement of the voter approved school bonds. He stated the ¼ cent sales tax would have to be approved in November 2013, to be in effect in time to lower the rate July 1, 2014. Mr. Jarman stated the refinancing that had been done was reflected in the projected numbers.

Mr. Davis asked if the ¼ cent tax was put on the ballot in November 2013 would it directly 'kick-in' in April 2014 and Mr. Jarman stated that it would come in effect FY 14-15. Mr. Davis stated he had studied the different precincts on the ¼ cents sales tax, and it appeared that people who should not have voted for the increase did and the ones who should have voted for it did not. He stated the county is facing the dilemma now of negative publicity. Mr. Davis stated he thought Mr. Jarman presented a good budget and it needed to be analyzed.

Mr. Jarman stated his intention was to present the budget in the next meeting, May 20, 2013 and asked for ideas or changes today.

Mr. Hill stated that 3.5 cents is quite an increase. He stated looking at the departments internally with their decreases and he would like to see the county take a look at all the outside agencies. He stated looking at what a 1-2% decrease would be and then determine how much property tax would be needed. Mr. Jarman stated a 1% would be equal to approximately \$125,000 and 2% would be approximately \$250,000. Mr. Hill stated these were just questions at this time.

Mr. Davis stated he doesn't like to exercise threats, but prefers diplomacy instead. He stated he thought all aspects were to be considered and asked Mr. Jarman if the 3<sup>rd</sup> Monday of May would give him ample time.

Mr. Jarman stated he would present the Board with the Budget on May 20, 2013, to be reviewed. He stated a special meeting could be called and they did not have to make a decision today.

Mr. Hill stated if the tax increase was not passed but sales tax was increased the fund balance would still have to be "dipped into" because that resource would not be available until much later. Mr. Jarman stated that was correct. Ms. Sutton stated she agreed with Mr. Davis but in her opinion it was not a threat but a fact.

Mr. Jarman stated it has been repeated over and over again that 2012 would be when the debt service shortfall hit. He stated the reality is the citizens approved the school bonds and he is sorry the current board is now facing what others in the past have decided on. Ms. Sutton stated she thought a special meeting should be called to discuss the in's and the out's.

Mr. Jarman stated the county was re-rated this year by the bond rating agencies and Lenoir County looks good and is financially strong. He stated failure to act on this would reduce the bond rating and it would be a different scenario.

Mr. Rouse stated he would like to see what services would be changed in writing. Ms. Sutton stated that was a good idea as it should be unanimous and she would like to hear from the department heads verbally and also in writing. Mr. Jarman stated he would put some suggestions together.

Mr. Roger Dail discussed two different scenarios for the EMS Department. He stated one option would be to take a unit off the road completely, which he does not feel is a very viable option. Mr. Dail stated the second scenario would be taking a unit off the road at a specific time, as Mr. Jarman discussed earlier. He stated that could be done but the time frame, as Mr. Jarman mentioned, was a busy time for EMS and would likely result in a disservice to the citizens of Lenoir County.

Mr. Rouse asked Mr. Dail if maintenance expense for the vehicles has increased enough that a new vehicle could have been purchased. Mr. Dail stated a new "remounted" truck could have been purchased with the funds spent on maintenance cost. Mr. Jarman stated the other issue with this is not that direct. He stated the increase is enough to offset remounting a truck but you also have that truck breaking down and therefore delays of service as well as other factors. Mr. Rouse asked when the last new vehicle was purchased and Mr. Dail stated it had been two years ago. Mr. Jarman stated his concern is if the wait is too long there could be a negative impact. He stated he was not a fan of financing ambulances.

Mr. Davis stated there was a tough decision to be made and the voters of this county have forced the Board into this decision by approving the School Bonds. Mr. Jarman stated that was correct and the county is accountable for how the monies are spent. Mr. Hill stated regarding the lottery, it was a game change after the game started that the voters did not have control over. Mr. Jarman stated the lottery has been successful but the funds have been redirected. He stated if the rate had been left as they said it would be, then the full amount would be available and there would be approximately an additional 5 million dollars. Mr. Jarman stated that money would be in the fund balance now. He stated there would still be a shortfall but less significant.

Mr. Jarman stated he welcomed dialoged among each other and with him. He stated the information they had requested would be compiled and presented to them. Ms. Sutton asked if they would get a copy and Mr. Jarman assured her they would.

Ms. Susan Moore stated it is hard to cut her budget since most of it is mandated service and requires a match. She stated if county money was pulled from the DSS budget then a substantial amount of federal and state funds there to provide services would be lost. She stated the first cut would be in general assistance funds which is money set aside for big disasters such as hurricanes. Ms. Moore stated the second cut would be to cut down on staff, which would increase overtime.

Mr. Davis stated when he leaves the Board of Commissioners, whenever that maybe, he does not want to leave with the County on "shaky circumstances". He stated he wants to make financial decisions that are beneficial to the County. Mr. Jarman thanked Mr. Davis for his comment and expressed the same concern.

With no further discussion and Upon a motion by Mr. Davis and a second by Ms. Brown, Mr. Davis adjourned the meeting at approximately 12:16 p.m.

Respectfully Submitted,

Reviewed By,

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Faye H. Mervin

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Michael W. Jarman

Deputy Clerk

County Manager