Item No. 3

MINUTES
LENOIR COUNTY BOARD OF COMMISSIONERS
June 1, 2009

The Lenoir County Board of Commissioners met in open session at 9:00 a.m. on Monday, June 1, 2009 in the Board of Commissioners Main Meeting Room in the Lenoir County Courthouse at 130 S. Queen St., Kinston, NC.

Members present: Chairman George Graham, Vice-Chairman Claude Stroud and Commissioners, Jackie Brown, Reuben Davis, Chris Humphrey, Tommy Pharo and Linda Rouse Sutton.

Members absent: None

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

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

PUBLIC HEARING/LENOIR COUNTY BUDGET ORDINANCE INTRODUCTION

Upon a motion by Mr. Graham the Public Hearing regarding the Fiscal Year 2009-10 Lenoir County Submitted Budget & Introduction of Fiscal Year 2009-10 Lenoir County Budget Ordinance was opened at 9:02 a.m. Mr. Jarman stated county staff, have worked hard on the budget for quite some time; historical analysts have been reviewed and completed to compile the FY 2009-10 budget recommendations. The FY 09-10 General Fund Budget of $60,993,669 is in balance with a tax rate of $.81 per $100 of assessed valuation. We have shown appropriations from our Fund Balance in previous years but have not actually used funds. We stated "the year we actually use the appropriation from Fund Balance we will need to take corrective action." It appears we will use fund balance in 2008-2009. The FY 09-10 Budget is $267,125 more than the FY 08-09 Original Budget. This is a 4/10 of one- percent (.4%) increase over what was budgeted last year. General Fund Expenditures increased by only ½ percent (.5%) over 2007-08 Actual Expenditures. There are no furloughs or layoffs of current employees; There are no salary increases shown for employees (with double digit unemployment and many of our citizens facing unusual hardships county employees have a great attitude in working to keep the tax burden for our citizens as low as possible).

PUBLIC COMMENTS:

Jerry Henderson- President of the SPCA – Mr. Henderson stated he was disappointed in the appropriated funding for the SPCA for FY 09-10. State law mandates the picking up of animals by local entities and for them to be kept for 4.2 days; 53% of the animals that arrive at the SPCA are euthanized. The SPCA is a volunteer group and works hard to provide the service to the county. Mr. Henderson stated he wanted one contact person to discuss the concerns of the SPCA; wants the City and County to appropriate monies for the maintenance of the facility; wants a long-term lease agreement finalized before any improvements are made to the facility at the cost of the SPCA.

Mr. Jarman stated City/County have worked together with the help of the Health Director to get some issues resolved at the SPCA. A maintenance agreement has been presented to the County offices, but a lease agreement has not. The Board asked administration to continue to work with the SPCA to resolve the long-term lease issue.

Dr. Brantly Briley-President of Lenoir Community College (LCC) – Dr. Briley stated for the past four (4) years a bottom line budget has been presented to the Board of Commissioners. But with the tough economic times the college has no other options but to ask that the full amount requested be appropriated to LCC (LCC requested $2,134,644 in operations and $250,000 in capital). The County has recommended $2,100,000 in operations and $100,000 in capital expenditures. Dr. Briley stated the utilities are up $70,000 for this year. Currently bills are being paid out of Fund Balance. Dr. Briley stressed the importance of LCC to the entire county; "an investment in LCC is an investment in the future of Lenoir County. If total funding requested is not appropriated the citizens of Lenoir County will start seeing a different LCC.

James Perry- Mr. Perry stated Mr. Jarman and county administration has worked very hard to provide for the needs of Lenoir County. The County has to make very difficult decisions in order to provide those needs. Mr. Perry stated that the current re-valuation numbers seem to be absurd; the methodology has not been explained to the citizens for how the numbers were calculated. Mr. Perry stated with the current economy and slow real estate market, there is no way that re-valuations of property have increased so dramatically. Mr. Perry stated he wants to remind the Commissioners that they are here to serve the citizens of Lenoir County and taking more from the citizens is not the way to make up for any lack of funding. Leadership is needed now.

Diane Lynch- Associate Superintendent of Lenoir County Schools – Ms. Lynch thanked the Board on the behalf of Dr. Terry Cline for supporting Lenoir County public Schools. Ms. Lynch thanked the Board for the increase of $300,000 for FY 2009-10. This funding will retain months of employment for counselors and support staff. The schools will be cutting positions this year in studies such as art and music to ensure there are enough teachers to teach core curriculum classes. The proposed budget from the state is an 11% decrease in funding for schools. Ms. Lynch stated that hard economic times are being experienced everywhere, and the school board is very thankful for the increase from the county to help the children of Lenoir County.

Patsy Basden- Ms. Basden stated she does not understand the methodology in acquiring the new re-valuation numbers. Ms. Basden stated citizens of Lenoir County do not need a tax increase now due to hard economic times. Ms. Basden stated she would be filing an appeal in regards to her re-valuation.

Mr. Graham – It has been eight (8) years since the last revaluation, there have been changes to property values during that length of time. There is a process to work through in regards to the revaluation and citizens are urged to take those steps if they deem them necessary. **Mr. Humphrey** – Re-valuations have hurt many of the citizens of the county. The population of the county has declined over the past years, which make the re-valuation numbers harder to believe; the county can not continue to raise taxes. Citizens are not ready for this type of tax increase; property owners are getting fed up.

Mr. Graham - Everyone needs to work for one Lenoir County. Companies coming into Lenoir County are looking at everything that county government does. If the county begins to pull back we as commissioners will pull the county down in the future. **Mr. Humphrey-** We can not be all things to all people; we must buckle down and cut spending more to help the citizens of Lenoir County. The County can not continue funding projects it should not be funding. With a lower tax rate, citizens may be more receptive to a $.25 cent sales tax increase but better education to the citizens on how the monies will be spent will have to be done. **Mr. Pharo–** The Federal government is spending monies quickly and county governments should not do the same. I do not want to cut any type of funding for education but cuts have to be made somewhere. **Ms. Brown–** Supports funding education in Lenoir County and no further cuts should be made towards education. The state mandates the revaluation every eight (8) years; she urges all citizens to file an appeal if they feel their property has been incorrectly valued. **Ms. Sutton–** The future of Lenoir County has to be looked at now. Social Services along with all the other departments have made budget cuts for several years to help with the budget process. The county is very fortunate to have had the staff and past commissioners in place to be in this current financial standing. The county has to look at long range plans that carry us for years to come. **Mr. Graham-** What would it take for Mr. Humphrey to support a county budget. **Mr. Humphrey-** I would like to see a revenue neutral rate. **Mr. Jarman-** Revenue neutral rate would be $.76 cents; that does not equate to county departments funding the same as last year or providing the same services. Administration has shifted sales tax loss to property taxes; $.06 of the current tax rate was voter approved for school bond debt and library debt, these expenses still must be paid. In regards to lowering the tax rate further it has been reviewed and is not advised. The state is looking to take more money from the school system, child support enforcement will become a responsibility of the county and the construction of a jail is the county's responsibility. County Administration has been very conservative on projected revenues, by reducing property taxes another $.05 the county exposes itself to trouble in the future. There is a lot of uncertainty in regards to the state budget, which should cause the county to use more caution. **Mr. Davis and Mr. Stroud–** Supports a $.79 property tax rate. **Mr. Graham-** The Art of politics is compromise; what has been recommend is taking an additional two cents off the recommended $.81 rate. The Board agreed to hold another budget work session on Monday, June 8, 2009 at 9:00 a.m. in the County Commissioners room. Upon no further comments, the public hearing was closed at 10:03 a.m.

ITEMS FROM CHAIRMAN/COMMISSIONERS

Item No. 1 was Items from the Chairman and Members of the Board. No items were discussed.

ITEMS FROM THE COUNTY MANAGER

Item No. 2 was Items from the County Manager. No items were discussed.

CONSENT AGENDA

Upon a motion by Ms. Brown and a second by Mr. Stroud, the Board unanimously approved the Consent Agenda.

3.	Approval of Minutes: Regular Board Meeting: May 18, 2009 Budget Work Session : May 18, 2009	Aytch/Jarman
4.	Resolution Approving the Releases and Refunds to the Individuals Listed Herein	Parrish/Martin
5.	Budget Ordinance Amendment: General Fund: DSS: $8,898: Decrease	Jones/Martin
6.	Budget Ordinance Amendment: General Fund: DSS: $199: Increase	Jones/Martin
7.	Budget Ordinance Amendment: Transportation Fund: Operations: $1,500: Increase	Bryan/Martin

PROCLAMATION/BUDGET ORDINANCE AMENDMENTS/RESOLUTIONS

Item No. 9 was a Proclamation Honoring Social Services Employees. Ms. Brown read the proclamation aloud for members of the Board and the viewing public. Upon a motion by Mr. Davis and a second by Mr. Pharo, Item No. 9 was unanimously approved.

Item No. 10 was a Budget Ordinance Amendment: General Fund: DSS: $29,750: Increase. Mr. Jack Jones, Director of Social Services, addressed the Board. Mr. Jones stated the amendment appropriates additional funds in the Medical Transportation lines to reflect increased costs through the remainder of FY 2008-09. Upon a motion by Ms. Brown and a second by Ms. Sutton, Item No. 10 was unanimously approved.

Item No. 11 was a Budget Ordinance Amendment: General Fund: DSS: $50,226: Increase. Mr. Jones stated the amendment allocates unspent cash assistance funds from the Work Fist (TANF) Block Grant to be used for the purchase of vehicles. No county match required. Upon a motion by Ms. Brown and a second by Mr. Davis, Item No. 11 was unanimously approved.

Item No. 12 was a Resolution: Request for Abandonment from State Maintained Secondary Road System. Mr. Jarman stated the resolution is for the abandonment of SR 1328 (Carlyle Road) from the Secondary Road System, the request from NCDOT. Upon a motion by Mr. Davis and a second by Ms. Brown, Item No. 12 was unanimously approved.

Item No. 13 was a Resolution Authorizing Execution of Contract with Unified Recovery Group, LLC for Debris Management Services. Mr. Roger Dail, Emergency Services Director, addressed the Board. Mr. Dail stated in accordance with FEMA Sections 403 (Essential Assistance) and 407 (Debris Removal) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (hereafter, the Stafford Act), 42 U.S.C. 5121-5206, and implementing regulations at 44 CFR Part 206 FEMA Recovery Strategy Memo RS-2006-2 VII. Strategy: B. Pre-Event Preparation and Planning Section 1. State and Local; *(b) State and local governments are encouraged and expected to establish pre-event contracts and/or arrangements with local or regional debris removal contractors, to assure the immediate availability of coordinated debris removal support following a debris-producing incident.*

On March 31, 2009, the Lenoir County Emergency Services Department formally advertised, issued and distributed the Debris Management Service Request for Proposal (RFP) No. DM09-001 and on May 11, 2009, two (2) responses were received: Unified Recovery Group, LLC and DRC Emergency Services, LLC. On May 21, 2009, the evaluation of both proposals was completed. The evaluation, which was based on qualifications/experience, operational plan for the county, resources/availability, past performance, subject matter knowledge, and presentation of the proposal has determined that Unified Recovery Group, LLC was the better qualified. Both companies submitted pricing schedules that were within standard guidelines. Contracting services with Unified Recovery Group, LLC for Debris Management Services would be effective for a two (2) year period and would only be activated in the case of a need for Debris Removal services in Lenoir County. Situations for such activation will include, but not be limited to, a natural or man- made disaster, requiring the removal of mass debris. At the end of the two (2) year period, Lenoir County may choose to extend the contract or repeat the request for proposal. Upon a motion by Ms. Brown and a second by Ms. Sutton, Item No. 13 was unanimously approved.

Item No. 14 was a Resolution Authorizing that Southwood Fire and Rescue enter into a Contract with K & J Contractors for the Expansion of their Existing Fire Station: $280,000. Mr. Dail stated Southwood Fire & Rescue has been operating out of their existing structure for the past thirty (30) years. This structure is located on Highway 58 south and has served adequately in the past. Due to the increase of their roster, as well as increase in the fire apparatus they now have, the existing structure is longer adequate to house the fire equipment. Staff has met with Southwood Fire & Rescue and has determined that the structure needs to have an addition to meet the needs of the fire department today. Bids were done on the addition and based on that, K & J Contractors are being recommended to be awarded the contract. Southwood Fire & Rescue plans to finance $250,000 at 6 percent interest with their payment not exceeding $24,000 per year for 15 years. Staff has met with the fire department and they have determined that no tax increase is needed for this construction project. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 14 was unanimously approved.

Item No. 15A was a Resolution Approving and Authorizing Purchase of Two (2) New 2007 LT 9500 Sterling Roll-Off Trucks from RDK Truck Sales and Service, Inc.: $187,600. Mr. Hollowell stated the landfill maintains a fleet of three (3) trucks over-the-road roll-off trucks that are used daily to transfer waste from the convenience sites located throughout the county to the landfill. All three roll-off trucks were purchased used several years ago and all have in excess of 300,000 miles and one has over 400,000 miles showing. After evaluating different purchase options over the past year, new or used equipment, management decided that the purchase of two (2) new 2007 Sterling Roll-Off Trucks was the best option. In compliance with formal bidding procedures of NC General Statute 143-129, the bid requirements were advertised on May 22, 2009. Bids were opened on May 29, 2009 and RDK Truck Sales was the lowest responsible bidder. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 15A was unanimously approved.

Item No. 15B was a Budget Ordinance Amendment: Solid Waste Management: Landfill: $150,000: Increase. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 15B was unanimously approved.

Item No. 15C was a Resolution Declaring Property as Surplus and Authorizing the Sale of the Surplus Property by Auction. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 15C was unanimously approved.

APPOINTMENTS

Item No. 16 was a Resolution Appointing Citizens to Boards, Commissions, Etc. The following reflects existing vacancies and appointments.

BOARD/COMMITTEE/COMMISSION	APPLICANT/ CURRENT MEMBER	TERM EXPIRATION
Lenoir County Economic Development Board 2nd Appearance	James Allen Perry (Appointment)	December 2012 **M: Humphrey** **S: Sutton**
Lenoir County ABC Board 2nd Appearance	Emmette C. Taylor (Appointment)	June 2012 **M: Humphrey** **S: Sutton**
Kinston-Lenoir County Parks and Recreation Commission 2nd Appearance	Charles R. Blake, II (Appointment)	June 2012 **M: Humphrey** **S: Sutton**
North Carolina's Eastern Region 1st Appearance	George W. Graham, Jr. (Re-Appointment)	June 2013

CURRENT VACANCIES

Lenoir County Economic Development Board – At-Large Member
Lenoir County Health Board – (1) Veterinarian, (1) Optometrist, (2) Public Members
Lenoir County Planning Board – Districts One (1) and Four (4)
Grifton Planning Board – One (1) Vacancy
CJPP – Three (3) Vacancies
Kinston Board of Adjustment – Two (2) ETJ Members; (1) Primary – (1) Alternate

ADJOURNMENT

A Resolution Supporting the City of Kinston's Efforts to be Named an All-American City at the 2009 All America City Awards Competition. Upon a motion by Mr. Davis and a second by Ms. Brown, the resolution was unanimously approved.

ADJOURNMENT

Upon a motion by Mr. Graham and a second by Ms. Brown, the meeting adjourned at 10:39 a.m.

Respectfully submitted,

Lashanda Aytch
Clerk to the Board

Reviewed By

Michael W. Jarman
County Manager

Item No. 3

MINUTES
LENOIR COUNTY BOARD OF COMMISSIONERS
June 8, 2009

The Lenoir County Board of Commissioners met in a special called session at 9:00 a.m. on Monday, June 8, 2009 in the Board of Commissioners Main Meeting Room in the Lenoir County Courthouse at 130 S. Queen St., Kinston, NC.

Members present: Chairman George Graham, Vice-Chairman Claude Stroud and Commissioners, Jackie Brown (via telephone), Reuben Davis, Chris Humphrey, Tommy Pharo and Linda Rouse Sutton.

Members absent: None

Also present were: Michael Jarman, County Manager, Tommy Hollowell, Assistant County Manager, Martha Martin, Finance Officer, Robert Griffin, County Attorney; Lashanda Aytch, Clerk to the Board; and members of the general public, department mangers and the news media.

Chairman Graham called the meeting to order at approximately 9:00 a.m.

Mr. Graham stated the Board would for go a formal opening to start the discussion regarding the FY 2009-10 budget. Mr. Humphrey stated he would like to a revenue neutral rate of $0.76 per one hundred dollars ($100) of assessed value. He stated times are very difficult for everyone due to the tough economic times. The budget presented by administration offers a few cuts and raises funding in other areas (i.e., schools, education). Property owners do not want anymore increases. He stated he knows the decisions made today will impact prospects in the future. Mr. Graham stated Lenoir County is in a total different economy compared to the 1950s and 60s. It is the Boards responsibility to ensure that Lenoir County keeps growing and prospers. Companies around the world now have their eyes upon Kinston-Lenoir County and we as a county can not look back. We have to give better opportunities to the children of Lenoir County. Mr. Davis stated he does not want to see any types of cuts in funding education. He stated he feels the Board responsibility is to keep the county stable. He would like to see the tax rate cut one cent to $.80 cent. Mr. Stroud stated he agreed with Mr. Davis and feels the county should take the risk and cut the tax rate one cent off of the proposed rate by administration. Mr. Pharo stated he concurred with the statements of Mr. Stroud and Mr. Davis; Lenoir County Public Schools will be eliminating 44 teaching positions. Mr. Pharo stated potential energy costs will be increasing by at 40%, no one needs an additional burden. Mr. Pharo made a motion to lower the tax rate to $0.80 per one hundred dollars ($100) of assessed value contingent upon each department manger making additional cuts where they could; that motion was second by Mr. Stroud.

Mr. Graham stated the county needs the sales tax referendum. Citizens of Lenoir County are already paying the additional tax, but the county is not collecting it. Surrounding counties who have approved the referendum are benefiting from some Lenoir County tax dollars. Mr. Humphrey stated the sales tax referendum should not be earmarked for any particular project.

Mr. Jarman stated there are several projects coming on the line for the county such as: jail debt service, new technology for schools, potential training facility at the old Bynum School. There are many projects that will require an additional revenue source beside property tax revenues. Mr. Jarman stated that each department manger has held the line annual for many years and will continue to do so. The decrease in sales tax revenue totals $1.5 million; the property tax increase totals $1,850,000 million. This totals a $350,000 increase at a $.81 tax rate, but at $.80 it becomes a revenue neutral rate when considering both taxes. Mr. Graham stated that county administration did a very good job in presenting the budget and a vote by the Commissioners is not a reflection on management. Mr. Mark Pope, Economic Development Director, addressed the Board. Mr. Pope stated economic development has been able to be successful through the help of Lenoir County management. Lenoir County has been able to be more attractive to more companies through the work relationship with the City of Kinston. It is very rare to find a City and County government that work together stated Mr. Pope. There is a lot going on in economic development and we as a county are being watched closely. The county needs to stay active and continue to move forward. Mr. Jack Jones, Director of Social Services, addressed the Board. Mr. Jones stated the same situation occurred in Lenoir County in 1996; it was a revaluation year and the debate was started to hold a revenue neutral tax rate. The revenue neutral rate was granted in 1996 and by the next fiscal year the rate had to be raised by $0.06. Mr. Jones asked the Board not to repeat history. The State of North Carolina does not have to adopt a budget until September of this year, which should make the county more cautious and aware of there choices. Management has been very conservative on all revenue projections and is looking to the future very closely. Mr. Jones closed his statement by agreeing with county administrations first recommendation of $0.81. Mr. Jones also stated he felt funds were available to allow for raises for county employees in FY 09-10.

With no further comments, and a motion and second on the floor, the Board approved the FY 2009-10 Budget with a rate of eighty cents/$.80 per one hundred dollars ($100) assessed value, with a six to one vote with Mr. Humphrey dissenting.

The meeting adjourned at 9:55 a.m.

Respectfully submitted,

Lashanda Aytch
Clerk to the Board

Reviewed By

Michael W. Jarman
County Manager