

## MINUTES

### LENOIR COUNTY BOARD OF COMMISSIONERS

June 3, 2013

The Lenoir County Board of Commissioners met in open session at 9:00 a.m. on Monday, June 03, 2013, in the Board of Commissioners' 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, Roland Best, 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. Hill led the audience in the Pledge of Allegiance.

#### PUBLIC INFORMATION

Bill Ellis, Director of Parks and Recreation recognized Ms. Rachel Dawson. Ms. Dawson was one of the 75 young people that started the lifeguard training course on April 9, 2013. Part of this lifeguard training is CPR. Her parents, Mr. and Mrs. Tripp Dawson were introduced. Mr. Ellis continued by saying, on the morning of April 10, 2013, her dad had a massive heart attack. Rachael at once began CPR on her dad and continued until EMS units arrived on the scene, stabilized him, and transferred him to Vidant Medical Center. Mr. Dawson said he was very thankful for all of the prayers, EMS, and the training his daughter had received, which was instrumental in saving his life. Mr. Ellis introduced Scott Austin, Woodmen Center Supervisor, who taught the lifeguard course. He was responsible for providing the lifeguard training to the 75 young people. He also introduced Galen Treble, Recreation Program Supervisor, who was responsible for completing all of the paperwork necessary to hire these 75 lifeguards, as well as 50 additional young people to work at the Woodmen Center.

Roger Dail, EMS Director, stated the importance of every person knowing how to perform CPR.

Mr. Ellis said he would be submitting a resolution declaring June 13, 2013, as Rachael Dawson and Lifeguard Day in Lenoir County. A motion was made by Ms. Sutton and a second by Mr. Daughety, to declare June 13<sup>th</sup> as Rachael Dawson and Lifeguard Day. The motion was unanimously approved.

Commissioner Sutton asked Mr. Ellis about the success thus far with the Woodmen Waterpark. He stated there were 2,350 people that attended Memorial Day weekend and this past weekend there were so many visitors, 1,500 had to be turned away. The people that were turned away were given free passes to come back and were directed to the West Waterpark for the day. Mr. Ellis commented on what a good project this had been for Lenoir County and the Woodmen

Center currently has 2,100 members. He is hopeful that additional things can be added to the waterpark to make it an even larger attraction, such as a wave pool. Mr. Ellis also said six (6) thirty (30) foot shade canopies had been ordered to provide shade at the waterpark.

Mr Bobby Merritt, Director of Industry Training at Lenoir Community College, introduced Mr. John Chaffee, President/CEO of North Carolina's Eastern Region, who discussed the Work Ready Community project. Mr. Chaffee stated the Work Ready Community project started over a year ago. He recognized Ms. Kelly Jarman and Mr. Mac Daughety as committee members, who also worked on the project. Mr. Chaffee stated the committee received a grant from the NC Rural Center to aid in the project, and although this was not the first such project in the State, he hoped it would be one of the best. He said the Work Ready project is comprised of different components of the community working together to complete a project where there would be better jobs and better workers who are certified Work Ready. He also said in order to be a certified Work Ready community, the project had to have 50% of the largest companies on board – nineteen have currently signed up to participate.. Another portion of the project is you have to have a certain percentage of students graduate from high school and Lenoir County is currently just under the State's average. Lenoir County is currently ranked 7<sup>th</sup> in the State as a Certified Work Ready Community. He emphasized this is not a static award, as there are benchmarks to achieve, and those benchmarks change over time. Mr. Chaffee presented a plaque to Mr. Davis on behalf of the Eastern Region, recognizing Lenoir County's achievement.

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

Mr. Davis wanted to make everyone aware of the death of Mr. Darrell Parrish's father over the weekend.

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

Mr. Jarman stated than a bid had been received on the property owned by the County at 1201 Sycamore Road in the amount of \$1,000. Upon a motion by Ms. Sutton, and a second by Ms. Brown, the Board declined the bid on the property.

Mr. Jarman stated he had received information from Mr. Durwood Stephenson concerning the County appointing a member to the Steering Committee of the U.S. 70 Economic Impact Study. Mr. Jarman said this could be handled at the end of the meeting along with other Board appointments if the Board chose to do so.

Mr. Jarman acknowledged receipt of a letter from Ms. Agnes Ho, of the Library, thanking Roger Dail and the EMS crew for their professional handling of a situation that occurred at the Library recently. Mr. Jarman also thanked Mr. Huff for his assistance in handling the situation, since this incident did involve exposure to blood borne pathogens.

Mr. Jarman also said there were minutes from other boards included in the agenda packet as well.

## CONSENT AGENDA

3. Approval of Minutes: Regular Board Meeting: May 20, 2013 Mervin/Jarman  
Budget Work Session: May 20, 2013

4. Resolution approving Releases and Refunds to the Individuals Listed Herein Parrish

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

## PUBLIC HEARING/RESOLUTION

Item No. 5 was a Public Hearing: Regarding the Exchange of Real Property between Lenoir County and Alpat Properties, LLC. Upon a motion by Ms. Brown and a second by Ms. Sutton, the Public Hearing was opened at 9:20 a.m. Ms. Brown read the purpose of the public hearing. Mr. Davis asked if there were any questions or comments regarding the purpose of the public hearing. There were none. Upon a motion by Ms. Sutton and a second by Ms. Brown, the public hearing was closed at 9:25 a.m.

Item No. 6 was a Resolution approving the exchange of real property between Lenoir County and Alpat Properties, LLC. Mr. Jarman stated both of the properties to be exchanged had a value of approximately \$5,000 and were located in the Hwy 70 West Industrial Park. Upon a motion by Ms. Sutton and a second by Mr. Best, Item No. 6 was unanimously approved.

Item No. 7 was a Public Hearing: Fiscal Year 2013-14 Lenoir County Submitted Budget & Introduction of Fiscal Year 2013-14 Lenoir County Budget Ordinance. Upon a motion by Ms. Brown and a second by Ms. Sutton, the Public Hearing was opened at 9:25 a.m. Mr. Jarman gave a few comments concerning the FY 13-14 budget. He stated the currently submitted General Fund budget in the amount of \$64,185,379 was in balance with a 3-1/2 cents increase in property tax. He mentioned that the property tax increase was necessary, due to a prior Board's decision to reduce the property tax rate several years ago, although the LGC had recommended a 5 cent property tax increase in order to meet the debt service of the School Improvement bonds. The decision by the State to decrease the Counties' allotments of lottery funds has also impacted this decision. Mr. Jarman stated the debt service on the school bonds was in excess of \$5 million for the next six years. He said he wanted to clarify something that had been said, and that was this tax increase is due to the school debt service, not the jail construction. Housing of prisoners is mandated by the General Assembly, whether on site, or in another location. Mr. Jarman then gave a breakdown of the major departments and the percentage of the budget they comprise.

Mr. Davis then asked if anyone from the audience would like to make a comment regarding the budget.

Mr. Bill Howard, from the Hugo VFD addressed the Board. Mr. Howard said it was his

understanding the current budget did not include the monthly appropriation for the fire districts. Mr. Jarman responded by saying the budget does not include the General Fund appropriation that has been given annually to the fire districts, but the fire district tax revenues are still in the budget. Mr. Howard answered by saying he had heard it would be okay for the fire departments to raise the fire district tax, but they were not going to raise taxes on the citizens. He also said he did not understand why the fire departments were cut, when \$245,000 was being left in the budget to construct a soccer field. Mr. Jarman answered by presenting slides to show the amount of the cut from each fire district and the amount of the cut in relation to their total appropriation. He also showed the percentage each department, including the GTP and the City of Kinston should receive based on their percentage of the overall taxing power of all districts. Mr. Jarman also said he had nothing against the fire departments and he was okay with the fire districts raising taxes to compensate. Ms. Sutton responded by saying the soccer complex was a one-time appropriation. Mr. Howard then said the fire departments would not raise the tax rate just because they could – they would make up their shortfall by having fund raisers.

Mr. Hill said it was his understanding these funds had been appropriated for a long time, but had decreased over time. He thought the fire districts were told last year this funding would be cut in this fiscal year. He said the funding should come from the appropriate source and needed to be resolved so there would be a stable funding source from year to year. Mr. Hill said he has a lot of respect for all of the volunteer fire departments, but he thought raising the fire district tax would be a better funding source. Mr. Howard said the tax base changes from year to year and the fire departments struggle to keep things the same as they are currently. Mr. Howard said it was a slap in the face to have the funding removed – to please reconsider.

Mr. Rouse said the same situation came up last year. Mr. Timmy Mooring, President of the Fireman's Association, said there was discussion last year and the money was put back into the budget, but he was not aware until a few days ago it was taken out this year. He said if this was implied, it was not communicated properly. Ms. Sutton said it was not fair to the fire departments, not knowing the funding had been removed.

Mr. Rouse said the Board could do the same as last year by adding the funding back in, with the understanding it would not be in next year's budget. Roger Dail said he had spoken with most of the fire chiefs, and the chiefs said they would not have enough time to convene their boards to make decisions about raising fire district tax rates. He said he had not heard from all of them.

Mr. Jarman said the Board could decide to put the funding back into the budget and there were many options to look at.

Timmy Mooring spoke and said the fire departments were willing to take a reduction and they were willing to give a fair share to the GTP and the City of Kinston and distribute the balance

equitably. Mr. Daughety said he felt this was a fair request. Mr. Davis said the cutting of this portion of funding was not properly relayed to the fire departments. Mr. Jarman re-emphasized the complaints he received about the General Fund money going to the fire districts came from a city resident.

Mr. Hill said whenever he talked about sustainable cuts he had no problem with the funding staying in the budget. He was looking at comprehensive cuts from the entire budget, not just the fire districts. He said he was concerned after all of the discussion, and he was not happy this was the only cut made. Mr. Hill stated he supports 100% the efforts of the volunteer firemen. Ms. Sutton stated the method of the funding source needed to be changed so it would be a stable amount each year, and suggested the Board appoint a liaison to keep the volunteer fire departments informed. Mr. Daughety said everyone knows he is for giving the money to the volunteer fire departments, since the money is being used for the citizens. He stated City residents are covered if they are out in the County and an event occurs requiring volunteer fire services. Mr. Daughety also said it looks to him as if the departments with the greatest needs are the ones receiving the largest share, and he knows Wyse Fork and Seven Springs do struggle to provide services. He agrees with Mr. Mooring the funding should be put back. Mr. Hill responded by saying the citizens of Kinston are County residents as well and pay both city and county taxes. He said they are paying twice and there was no way to isolate the City and County.

Mr. Mooring asked once again if the Commissioners would reconsider and put the funding back into the budget. Mr. Davis responded by saying they would take it under advisement.

Mr. Jerry Henderson also addressed the Board. He said he had appeared before the Board several weeks prior and had asked for additional funding for the SPCA. He asked if SPCA was an outside agency, and if so, were any of the outside agencies being cut. Mr. Jarman responded by saying SPCA was unique in they are an outside agency, but is housed under Animal Control at the Health Department. He then told him SPCA had not been cut. Mr. Jarman also said SPCA is different in another way – at the end of the year all other agencies with unexpended funds, roll those unspent funds into fund balance. Any unspent funds for SPCA are rolled over to be used the next year.

Upon a motion by Ms. Brown and a second by Ms. Sutton, the public hearing closed at 10:06 a.m.

### **PROCLAMATIONS/BUDGET ORDINANCES/RESOLUTIONS**

Item No. 8 was a Resolution Honoring Ella Miller. Ms. Brown read the proclamation honoring Ms. Miller, a Social Services employee retiring with twenty-four and one half years of service. Ms. Brown thanked Ms. Miller for her service to Lenoir County. Ms. Miller stated it had been a

long road with both good and bad, but it had been a very rewarding career. Ms. Miller said she was going to miss her clients and coworkers, and felt she had been able to help folks that were unable to help themselves. She also said she was proud of being a DSS worker. Upon a motion by Mr. Daughety and a second by Mr. Best, Item No. 8 was unanimously approved.

Item No. 9 was a Resolution Honoring Gay Humphrey. Ms. Sutton read the proclamation honoring Ms. Humphrey, a Social Services employee retiring with twenty-four years and five months of service. Ms. Sutton thanked Ms. Humphrey and stated since she has been on the DSS Board, Ms. Humphrey has always worked with them in a leadership capacity. Ms. Humphrey thanked the Board for the opportunity to work at DSS. She said whenever she first started, she was not aware of all of the programs offered by DSS. Ms. Humphrey said she had been fortunate to work mainly with one program during her tenure, but she had worked in other programs as well, whenever needed. Ms. Susan Moore, DSS Director, stated some of those small jobs had turned into large projects and named several of the projects Ms. Humphrey had been involved in. Ms. Moore also said they were not only losing good employees, but were losing a wealth of knowledge as well. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 9 was unanimously approved.

Item No. 10 was a Budget Ordinance Amendment: Vehicle Replacement Fund: \$8,625: Increase  
Item No. 11 was a Budget Ordinance Amendment: Vehicle Replacement Fund: \$12,721: Increase  
Mr. Hollowell suggested the Board look at both Budget Amendments together. He stated both were insurance proceeds received for two vehicles that were totalled in the Sheriff's Department. He said the Sheriff would be coming before the Board to obtain approval to spend these funds to purchase one new Dodge Charger. Upon a motion by Ms. Brown and a second by Ms. Sutton Items No. 10 and No. 11 were unanimously approved.

Item No. 12 was a Budget Ordinance Amendment: General Fund: Process Funds: \$24,544: Increase  
Mr. Hollowell stated this Budget Amendment was to appropriate additional funding received by the Structured Day Program of the Division of Juvenile Justice from the Department of Public Safety. These funds are a pass through. Upon a motion by Ms. Brown and a second by Ms. Sutton, Item No. 12 was unanimously approved.

Item No. 13 was a Budget Ordinance Amendment: Transportation: Administration: \$99,177.: Decrease  
Ms. Martin explained this Budget Amendment was to correct budget lines within the Transportation budget due to no additional vans being purchased this fiscal year. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 13 was unanimously approved.

Item No. 14 was Resolution Authorizing Acceptance of JCPC Discretionary Matching Funds: \$11,057.  
Ms. Tammy Kelly addressed the Board and stated her department has been searching for funding to purchase a van for some time. These monies will be used along with other funding to purchase the van. Upon a motion by Mr. Daughety and a second by Ms. Sutton, Item No. 14 was

unanimously approved. Ms. Kelly mentioned to the Board “Business After Hours” would be held on June 11<sup>th</sup> at 5:30 p.m. and all of the commissioners are invited to attend.

Item No. 15 was a Resolution re-adopting the CDBG Policies, Plans and Guidelines. Mr. David Harris addressed the Board and said these same policies, plans and guidelines had been adopted for the 2011 CDBG Catalyst Grant and are being re-adopted to make them applicable to the 2012 CDBG Scattered Site Grant. Upon a motion by Mr. Daughety and a second by Ms. Sutton, Item No. 15 was unanimously approved.

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

**APPOINTMENTS**

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

<b><u>BOARD/COMMITTEE/COMMISSION</u></b>	<b><u>APPLICANT/CURRENT MEMBER</u></b>	<b><u>TERM EXPIRATION</u></b>
Department of Social Services	June Cummings 2 <sup>nd</sup> Appearance	July 2017
Steering Committee U.S. 70 Economic Impact Study	Gordon Vermillion Appointee	

Mr. Daughety stated Mark Pope had been appointed by the State to head the Steering Committee of the U.S. 70 Economic Impact Study. Mr. Daughety said he would like to nominate Gordon Vermillion to this committee. Upon a motion by Mr. Daughety and a second by Mr. Rouse Item No. 16 was unanimously approved.

**PROCLAMATIONS/BUDGET ORDINANCES/RESOLUTIONS**

Item No. 17 was an add on Resolution from DSS Endorsing the Revised FY 2012-13 Lenoir County Home and Community Care Block Grant Funding Plan to include the reallocation of \$18,000 from In Home Aid Level I services to Senior Center Operations. Ms. Moore addressed the Board and stated this was just to move HCCBG money around within the budget. Upon a motion by Ms. Brown and a second by Mr. Best, Item No. 17 was unanimously approved.

Mr. Daughety said since the Board was concluding the budget discussions, he would like to say the Board fundamentally disagrees and he appreciates Mr. Davis allowing discussions from all sides. He said in the more than usual work sessions, the Board has been able to meet without anger or animosity. Mr. Rouse said he felt it had been a very productive process this year, and appreciates it and wanted to thank everyone.

Mr. Davis said he felt the Board was a very good, diverse Board, and he never wanted to be accused of not being fair.

Ms. Sutton made a motion to approve the FY 2013-14 Budget and Budget Ordinance, amending the Budget to include the General Fund funding for the Fire Departments – a total amount of

\$28,279, with the stipulation this funding allocation will not be in the budget next year and to appoint a liaison to meet with the Fire Departments. Ms. Brown seconded the motion.

Mr. Davis opened the floor for discussion.

Ms. Sutton amended her motion to take out the liaison appointment.

Mr. Jarman asked how was the \$28,279. to be distributed. Mr. Rouse asked if no notice had been given, how do we divide differently? Ms. Sutton said there should be some way to compromise. Mr. Hill said he knew the VFD's needed the \$48,340. Roger Dail said the fire departments did know now, the money was to come out, but they were down to the wire in being able to make any changes to their rates. Mr. Rouse said to leave the funding as it is currently.

The motion to pass the FY 2013-14 Budget and FY 2013-14 Budget Ordinance passed with Mr. Rouse and Mr. Daughety casting the only dissenting votes.

Ms. Sutton made the motion for Mr. Davis to appoint a liaison with the fire departments and Ms. Brown seconded the motion. The motion passed unanimously. Mr. Davis then appointed Mr. Hill to serve as the liaison.

The meeting adjourned at 10:44 a.m.

**MINUTES**  
**LENOIR COUNTY BOARD OF COMMISSIONERS**  
**BUDGET PLANNING WORK SESSION**  
Administration Building Conference Room  
May 30, 2013

The Lenoir County Board of Commissioners began their scheduled retreat on Thursday, May 30, 2013 at 2:14 p.m., at the Administration Building Conference Room, 101 North Queen St., Kinston, NC.

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

Members absent: None

Also present were: Michael W. Jarman, County Manager, Tommy Hollowell, Assistant County Manager, Martha Martin, Finance Officer , Department Managers, media and others.

Mr. Davis called the meeting to order at approximately 2:14 p.m. Mr. Jarman gave the invocation and Mr. Rouse led the Pledge of Allegiance.

Mr. Davis welcomed the Board members, Department Managers, and other visitors to the session.

Mr. Davis asked Mr. Jarman to recap the major items of the proposed budget, such as the funding for the volunteer fire departments.

Mr. Daughety asked if the budget that had been posted online on the County's webpage was the same as the budget that was presented at the last budget meeting. Mr. Jarman replied it was the same as the one presented at the last budget meeting with the exception of a few grammatical corrections.

Mr. Hill said some ideas were thrown out at the last budget meeting, but no action was taken, so the budget remained the same, so what is the task today?

Ms. Sutton said it was to either make changes to the presented budget, or accept it as presented.

Mr. Davis asked if there was anything that would prohibit one of the Board members from voting for the proposed budget, to please bring it up so it could be discussed.

Mr. Hill asked if we move forward with the 3-1/2 cents property tax increase, how would the FY 2014-15 budget be impacted?

Mr. Jarman stated there was a guest present who would like to discuss the DSS budget. Ms. Sutton suggested waiting for Ms. Brown, who was running a little late.

Mr. Jarman said even with the 3-1/2 cents property tax increase, \$400,000 of General Fund Fund Balance would have to be used in order to balance the budget. He also gave the amounts of Fund Balance that would be needed to cover the debt service for the next three years. Mr. Davis asked if there might be any additional property tax revenues coming in within the next few years. Mr. Jarman answered in estimating property tax revenues, a 1% multiplier is used for each future year.

Mr. Daughety asked about the funds for the soccer complex. Mr. Jarman said they are currently in the Fund Balance of the Capital Improvements fund, and would have to be moved back to the General Fund in order to be used against the General Fund deficit. Ms. Sutton asked if the soccer funds were a one time appropriation. Mr. Jarman replied yes. He also said if the soccer funds were used this year, it would be a one-time fix, and the same issue would occur next year. Mr. Davis said if we use the soccer funds this year, then we probably would never build the complex. He said he would rather leave that money alone.

Mr. Daughety said he had hoped rather than cutting the volunteer fire departments, which is an ongoing thing, we would use the money set aside for the soccer complex. Bill Ellis said he would be speaking with a group on Monday, June 3<sup>rd</sup>, who is committed to raising more funds to promote soccer. He also said he had 30+ years of service, but said he would build the soccer complex before he retires if the commissioners would leave those funds alone. Mr. Ellis also said soccer is currently the number one sport, and whenever the new soccer field is built, it could be used along with existing fields to host soccer tournaments. Those tournaments would fill local hotels and eating establishments, bringing in additional revenue.

Mr. Hill said he had previously thought about taking a portion of the money set aside for the soccer complex, but has changed his mind. He said he would like to look at sustainable cuts, but he wanted to know how the other commissioners feel about a 2% cut to the outside agencies. Mr. Hill said he knew it would be painful, but this would send a message the Board is serious about change. He said a combination of cuts and the tax increase would not be easy, but as managers, the agencies should be able to handle a 2% reduction. Mr. Hill also said he thought the agencies would rather take a 2% cut over consecutive years, than to have the funding cut completely down the road. He said the tax increase, as well as cuts were needed. Mr. Hill stated he would love to see the ¼ cents sales tax implemented. He noted if the 3-1/2 cent property tax increase was approved, the tax rate would be back at the tax rate of 2009.

Mr. Daughety said he would like to see the 3% cuts across the board, but leave in the funding for the volunteer fire departments.

Mr. Davis stated anything that would hurt employees needed to be left alone. Mr. Daughety said it would be difficult for the volunteer fire departments to raise their taxes. He also said the volunteer fire fighters were not County employees and they needed to be concerned for them since they are essentially doing the job for free.

Mr. Hill said he had no problem with volunteer fire departments receiving the funds, but felt the funding needed to come from a different source. He stated he knows the volunteer firemen are committed, but it was time to lay the issue to rest, and if not settled now, the same problem would occur year after year.

Mr. Davis said everyone knows if the Fire Association folks decided to walk off, it would create chaos.

Mr. Rouse asked if the 3-1/2 cents property tax increase was approved, would we still need additional revenue next year. Mr. Jarman replied he was looking at a four year window, and it may be an amount that could be lived with for the next four years, although they are the toughest years regarding debt service.

Mr. Davis stated that even if the property tax increase was approved, we still need to work toward getting the ¼ cents sales tax approved. Mr. Jarman replied it may be passed, if we agree to reduce the property tax rate. The entire amount of property tax increase could not be reduced.

Timmy Mooring, President of the Fireman's Association, stated we all need to do our part in educating the public. He said he would be upset if the commissioners raised his property tax and also cut out the funding for the fire departments.

Mr. Hill disagreed – he said if we decrease in all areas, then it adds up.

Ms. Sutton stated you could not do a 2% reduction across the board, since it would hurt some departments more than others. Mr. Hill said it would not be fair and equitable to cut 2% across the board.

Mr. Daughety said a Democrat friend of his said when you deal with the job as a commissioner, there is a science and then there is political science. He said if the commissioners wanted the sales tax referendum approved, they would need the help of the volunteer fire departments, and if their funding was cut, they may not work with them. Ms. Sutton replied said you couldn't look at the politics.

Mr. Rouse asked if the \$48,340 for the fire departments was taken out, would the fire districts be able to increase their tax rates? Mr. Mooring answered about half of the districts were against raising the fire tax. He said it was hard for them to look at the citizens and ask for an increase.

Ms. Sutton asked if the money was originally set up to pay for fire trucks? Roger Dail, EMS Director said many years ago it was used to assist in purchasing fire trucks and revolved from one department to the next. Several years ago that method was changed to a set amount based on the number of stations and whether or not the station was in Lenoir County. Roger said he had explained to the fire chiefs they could still get the money, but they would have to implement a fire tax increase. He also said he told them he was tired of dealing with this issue. Mr. Mooring said one department had told him they would have to ask for a 1.3 cents fire tax increase and that was on top of the proposed 3-1/2 cents property tax increase.

Mr. Jarman said he would need to go back and add up the tax values of the fire districts, including the City of Kinston and the GTP and then pro rate the money according to those values. He said if the funding was left in, it needed to be equitable. Mr. Jarman stated the Board would need to vote and give specific instructions.

Mr. Daughety made a motion to leave the VFD money in the budget.

Mr. Rouse asked Mr. Mooring how many of the fire districts would not ask for the fire tax increase. Mr. Mooring answered he thought probably six of the ten districts would not.

Mr. Dail said if the Board decided to take out the \$48,340, then he and Mr. Mooring would call all of the fire chiefs to see if they wanted to increase their rates. Mr. Davis said the commissioners had never denied the fire districts raising their taxes. Mr. Daughety said he felt we were like the government, the Federal passing to the State, and the State then passing to the County. Mr. Hill said this issue needed to be resolved.

Mr. Daughety's motion failed due to no second.

Judge Beth Heath addressed the Board and said she wanted to educate them concerning a DSS issue. She said she had spoken with Ms. Susan Moore, DSS Director, concerning Abuse and Neglect court. She stated she had heard about DSS cutting contract attorneys from the budget and replacing them with in-house attorneys. She said she wanted to be involved in the hiring process. Ms. Heath said the attorneys involved in Abuse and Neglect court answer to her. She has spent a lot of time and years working with Abuse and Neglect court, the most difficult of the nine courts. Ms. Heath said a lot of the decisions are appealed and reversed, costing a lot of money. She said there are certain things required by law the in-house counsel would be required to do. The attorneys will have to be able to get the right

information, especially keeping an audit trail. She said it was important the attorneys hired were qualified to do the work, and she would like to be part of the group making that decision. Ms. Heath said she was not sure getting fresh attorneys out of law school is the right thing to do, that it may be a cost savings now, but how about down the road? She said Lenoir County could not be compared to Wake County. Ms. Heath said small communities like ours who have in house counsel have a lot of turnover. She advised the commissioners to look at this decision carefully.

Ms. Moore said Abuse and Neglect court was important, but just one of the courts they have to attend. She said the FY 2012-13 budget contained \$342,000 for contracts with three different attorneys in order to provide services. She stated in order to cut the budget as requested, she had cut supplies, purchased software, cut two positions and attorneys was the next place she looked. Ms. Moore said she had talked with other counties about how they handled attorneys. She said she could hire two in house attorneys at about \$65,000 per year each, which would be a cost savings. Ms. Moore said this would eliminate about \$109,000 in County funding. She also said she was not dissatisfied with the service provided by the attorneys currently under contract, but was trying to cut the budget as well as provide services. Ms. Sutton said the attorneys they hire would probably be retirees or fresh out of law school, but whatever was done would depend on what the commissioners want. She also said there was training available if they hired in house. Mr. Jarman stated Ms. Moore had met with the attorneys currently under contract and asked them if there was any way possible for them to reduce their fees, but they said there was no way they could. Ms. Brown said whenever the attorneys were asked to reduce their fee, only one or two were willing to cut just a tiny bit, and the others were not willing to cut at all. Ms. Sutton said the issue had been discussed at length. Judge Heath said she wanted this group to know who will be responsible for the training in order to get the case correct, and she was not sure that could be done with an in house person.

Mr. Davis asked the group if they were going to discuss what they might want pulled from the budget? Mr. Rouse asked if anyone was interested in doing the 3% cut that had been asked of the department managers.

Mr. Rouse then made a motion to make a 3% cut across the board from all of the departments. Mr. Daughety seconded the motion.

Bill Ellis said if the 3% cut was made to the Recreation budget, it would cut out all activities at Pink Hill and would close the Moss Hill Ruritan building. Mack said that would mean all of the cuts affected the southern end of the County. Bill answered by saying Pink Hill is the only County owned facility, all of the other facilities are school facilities. He also said 20% of youth athletics overall would be cut.

Mr. Hill said this is the reason he wanted to look at the outside agencies – the outside agencies funding have either increased and/or remained the same for the last several years. He said it is hard to lump all departments together. Ms. Sutton agreed.

Darrell Parrish, Tax Administrator, addressed the Board and said his department has already cut 5% from their budget, and if an additional 3% was cut, it would mean the collection rate would not be as high. He said he would have to cut a position and reduce legal fees.

Mike Wiggins, Maintenance Director, said he would be in the same position. Most of his budget is comprised of fixed costs, such as utilities, so he would have no choice but to cut a position.

Roger Dail, EMS Director, said a 3% cut in the Emergency Management budget would mean road signs would not be replaced. In the Emergency Services Department there are some things where he has no leeway. The only option would be to reduce overtime, which would mean taking a truck off the road from 5:00 a.m. to 7:00 a.m. Monday through Thursday. This would mean taking a truck off of the road at the time everyone was getting up to go to work. Not only would it take a truck off of the road at a critical time, but it would also take money out of those employees' salaries. In Communications, Roger said he would have to lay off one telecommunicator, his operational money is already locked in.

Mr. Hill said he was talking about cutting the outside agencies, he thought the inside agencies had already been cut enough.

Joey Bryan, MIS Director said his department supports all of the other departments – this is where all computer paper, all software contracts and such are charged. He said his only option would be to cut one of his technician positions, resulting in a longer wait on answering calls. Susan Moore said everything her department does is done on computers. She said a lot of money had been spent on automation and there are new State programs that have to be implemented in the next couple of months. All of her programs have Federal requirements as to when things have to be completed. If they are not done in a timely manner, the funds will have to be paid back, so she needs the availability of MIS technicians.

Mark Pope, Economic Development Director, said there had been a lot of changes in Raleigh with the change of Administration. Positions have been cut and offices have been moved around, so it is almost like starting over. With this change, it is likely there will have to be more information sent from the County office in order to attract and go after new clients. Taking another 3% from the current budget, which has already been reduced 13%, would put his office in a crunch.

Mr. Rouse said in his business he has gone through lean times and has always been able to get the job done. He said he realized it is tough, and he knows there are certain things that have to be done, but he was depending on Department Managers to make the decisions as to what to cut. Mr. Rouse stated he is in a position where he does not want to raise taxes, and he feels like cuts can be done.

Tommy Hollowell asked if the Solid Waste and Transit departments were included in the 3% budget cut request. Mr. Rouse answered no.

Mr. Daughety asked if the 3% cuts which were given to the commissioners were a 3% cut off of the current year's budget, or the upcoming FY 2013-14 budget? Mr. Jarman replied the cuts were from the FY 2013-14 submitted budget. Mr. Hill asked if these cuts were made, did that mean the property tax rate would not be increased? Mr. Rouse answered yes. Mr. Hill stated the outside agencies have not had to make adjustments on County funded dollars, but the inside departments have already made cuts.

Mr. Daughety said there are two sides to everything and the public has been struggling with this same issue of cuts as well. Mr. Jarman replied the County is in this situation due to the voters voting in the School Bonds. Joey Bryan responded by saying he was on the School Board at the time the School Bonds were placed on the ballot, and it was explained to the voters what those bonds would cost.

Ms. Moore said whenever things are economically bad, business was booming at DSS. In bad times DSS is placed in a situation where they are serving more working people. She said she was fully aware of how the economy is and with the implementation of the new Affordable Health Care Act, DSS will then assume the responsibility of processing those applications as well. She also stated they are in the process of automating the application process, but still does not know how many people she will need in the transition. Ms. Moore stated the County's portion of the DSS budget was small in comparison to all of the services they provide.

Mr. Best said the commissioners need to look at the big picture and do what was best for the taxpayers.

Mr. Davis asked for the question to be called on Mr. Rouse's motion. Mr. Rouse and Mr. Daughety voted yes, with Mr. Best, Ms. Brown, Mr. Davis, Mr. Hill and Ms. Sutton voting no. The motion failed.

Mr. Hill then made a motion to cut the outside agencies by 2%.

Ms. Sutton asked what would be the impact of this 2% cut? Mr. Hill read the amounts to be cut from the outside agencies, and then said the 3-1/2 cents property tax increase would still be needed. Mr. Rouse seconded Mr. Hill's motion.

Bill Ellis then addressed the Board and said if the additional 2% cut was taken from Parks and Recreation's budget, he would have to cut \$16,000 from a budget of \$800,000. Mr. Hill responded by saying he was reluctantly cutting his budget, and he knew everything outside of the City of Kinston is paid by the County.

Ms. Brown asked about the impact the cut would have on the schools. Mr. Hill replied the schools have Fund Balance of their own they can fall back on.

Mr. Davis asked for the question to be called on Mr. Hill's motion. Mr. Hill and Mr. Rouse cast the only two yes votes, with Mr. Best, Ms. Brown, Mr. Daughety, Mr. Davis and Ms. Sutton voting no. The motion failed.

Mark Pope asked the commissioners to consider asking for the ¼ cents sales tax to be put back on the ballot, and to get behind it. He said with the opening of the Woodmen waterpark, there are more people visiting Lenoir County and spending money here. This would result in more revenue for the County. Mr. Davis responded by saying if the sales tax issue was placed on the ballot, the commissioners should let all citizens know if the additional sales tax is passed, the commissioners may be able to reduce the property tax rate. He said this decision is left up to the Board.

Mr. Daughety asked if the Board would be voting on the budget at the Monday, June 3<sup>rd</sup> meeting? Mr. Jarman replied all of the legal requirements have been met, but it doesn't have to be voted on Monday, it could wait until the June 17<sup>th</sup> meeting, but would have to be adopted before July 1<sup>st</sup>. Mr. Daughety asked if the sales tax referendum would be in the budget. Mr. Jarman answered no.

### **ADJOURNMENT**

Mr. Davis adjourned the meeting at 4:00 p.m.

Respectfully submitted,

Martha H. Martin  
Clerk to the Board

Reviewed By

Michael W. Jarman  
County Manager