

## MINUTES

### LENOIR COUNTY BOARD OF COMMISSIONERS

August 6, 2012

The Lenoir County Board of Commissioners met in open session at 9:00 a.m. on Monday, August 6, 2012 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 Reuben Davis and Commissioners, Jackie Brown, Mac Daughety, Linda Rouse Sutton, Tommy Pharo, and Eric Rouse

Members Absent: None

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

Chairman Graham called the meeting to order at approximately 9:03 a.m. Ms. Brown offered the invocation and Mr. Graham led the audience in the pledge of allegiance.

#### **PUBLIC INFORMATION**

Mr. Joey Huff, Health Department Director, recognized the 2012 Spirit Award Recipient, Debbie Murphy, Licensed Practical Nurse, for her outstanding work ethic as an expert Communicable Disease Nurse. Mr. Huff stated Ms. Murphy was recognized at the state level for her hard work, motivation and dedication to her position. Ms. Murphy stated she loves to help people and is dedicated to serving the community. Mr. Huff stated the Lenoir County Health Department received an award demonstrating best practice for prompt Disease Investigation and timely data entry into the North Carolina Public Health Electronic Disease Surveillance System (NCEDS).

Ms. Susan Moore, Department of Social Services Director, stated this week begins the Phase 1 Implementation of a different way of conducting business for Food and Nutrition Services (Food Stamps). The State of North Carolina decided to go electronic with all Case Management Services which eliminates paper records. The State of North Carolina purchased software from Ireland to facilitate the implementation of NCFAST. Ms. Moore stated after the revision of NCFAST, five (5) counties in North Carolina are now implementing the online program. On August 20, 2012, twenty (20) Down East Counties will begin implementing NCFAST. The Department of Social Services staff is currently receiving online training on how to operate NCFAST. On August 7, 2012, Department of Social Services Staff will begin receiving online applications and although the process may be slow in the beginning, once the staff adjusts to the NCFAST online process, the cases will move at a faster pace. Next spring every case will transition to an electronic system, which results in a paperless system.

Ms. Brown recognized NCFAST Representative, Ms. Pat Hemby. Ms Hemby stated she remained at Department of Social Services to ensure staff is properly trained in NCFAST before retiring. Ms. Hemby stated NCFAST Online Training was difficult at first, but after the revision, it has improved immensely. Mr. Graham inquired about the financial impact of Food Stamps. Ms. Hemby stated Department of Social Services issues \$10-\$12 million in Food Stamps to about 25% of the County's population. Ms. Hemby stated there was a change in Food Stamps requirements and currently the poverty levels are 130% or 200% to be eligible to receive Food Stamps.

Ms. Susan Moore, Department of Social Services Director informed the Board about Special Needs Registry. Ms. Moore stated hurricane season is approaching and there will be citizens who may require special medical needs, such as people who are living at home on respirators, receive dialysis, use an oxygen tank, etc. The Special Needs Registry provides a shelter for people who have special medical needs, in the event there is a power outage due to a hurricane. The Special Needs Registration Form may be completed online at the Department of Social Services website. The information received will be placed in a confidential database in an effort to provide a safe place for citizens who are in need of shelter when disaster approaches. Mr. Graham inquired if the oxygen tanks can be filled for patients. Ms. Moore stated oxygen tanks can be filled at the shelter. Mr. Graham stated Town Hall Meetings need to be held to educate the general public about the Special Needs Registry.

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

Mr. Graham inquired about the One-Quarter Cent Sales Tax Referendum. Mr. Jarman presented the 2013-2014 Projected Budget Information to the Board. Mr. Jarman reviewed budget information and discussed the Financial Forecast. Mr. Jarman stated the 2013-2014 Projected Expenditures will be \$64,011,567 and Projected Revenues are \$60,807,064 which leaves a shortfall of \$3,204,503. Mr. Jarman stated \$1 million is being taken out of the Fund Balance (Savings) of the School Capital Account; currently \$500,000 has been used this year. This account should be managed cautiously. Mr. Jarman stated unless the NC General Assembly reinstates the Corporate ADM Tax for School Capital Projects, this account and County funding will be the only source for School Capital Needs (roofs, boilers, etc.). Mr. Jarman stated there is a remaining shortfall of \$2,204, 503. The major reason for the shortfall is the Debt Service on the 2007 & 2008 School Bonds. The School Bond payment for 2013-2014 is \$5,839,475. The annual amount of revenue dedicated to School Bond is \$4 million. The shortfall exists for multiple reasons: the Resolution Approving the Bond Referendum stated that taxes at a rate of 5cents per \$100 of assessed value would be sufficient to provide for Debt Service on approximately \$50 million of bonds and that an additional increase of up to 4.5 cents over two to three years would be necessary to pay the Debt Service on the additional \$19.7 million Bonds. The additional increase has not happened. In addition to not raising the tax rate to cover the bond cost, the rate was reduced from 84 cents per \$100 of assessed value to 80 cents in 2009. This reduction was made to provide relief to the citizens, but prohibited the planned banking of funds to cover the higher debt service payments we are now experiencing. The NC General Assembly reduced the amount of lottery funding provided to counties in order to balance the State Budget. All of Lenoir County's lottery proceeds are committed to School Bond Debt Service.

This forces Lenoir County to spend an additional \$600,000 of local funds (property taxes) to meet Debt Service obligations. Mr. Jarman discussed options to decrease expenditures, increase revenues (property and sales tax), and spend fund balance (savings). Lenoir County's projected General Fund expenditures for 2013-2014, excluding debt service has only increased 3% in seven years; therefore, significantly decreased expenditures would greatly reduce services. Current services to our citizens would be changed significantly, so potential reductions should be shared and/or discussed with our citizens. These reductions will cause quality of life issues. Mr. Jarman stated another option would be increasing revenues. A property tax increase of 1 cent per \$100 tax rate increase would yield approximately \$375,000 and a 6 cent per \$100 tax rate increase would be needed in order to cover the projected shortfall. The One-Quarter Cent Sales Tax increase would generate approximately \$1.2 million. Another option would be to spend Fund Balance (Savings). The current amount of unassigned Fund Balance is \$9.8 million. Balancing the budget with savings is not a sustainable practice. Fund Balance (Savings) is needed for Emergency Operations. Lenoir County spent over \$3 million for Hurricane Irene and the County has not been fully reimbursed as of this date. Fund Balance (Savings) has allowed Lenoir County to be successful in Economic Development. Mr. Jarman discussed recommendations and stated Counties across North Carolina are in need of additional revenue options to help fund critical infrastructure needs and to relieve pressure on property owners and indicated Lenoir County is not an exception. County Administration feels the best option for Lenoir County would be to have the revenue from the One-Quarter Cent Sales Tax available. Mr. Jarman stated proper utilization of savings, along with the additional revenue, would allow Lenoir County to maintain the level and quality of services our citizens expect support and equip the staff necessary for these services, and provide the needed infrastructure for future growth, with as minimal impact on our property owners as possible. County Administration recommended the County adopt Fiscal Year 2012-2013 Budget as shown, during the Budget Work Session with no tax increase and work to pass One-Quarter Cent Sales Tax. If approved, the additional revenue, plus continued cost saving methods being implemented could allow Lenoir County to meet financial obligations through FY 2013-2014 and FY 2014-2015. This would allow additional time for growth and economy recovery, thereby avoiding a large property tax increase. Mr. Jarman stated the longer we delay increasing our recurring revenues, the greater the increase will need to be. Mr. Jarman stated without passage of the One-Quarter Cent Sales Tax, the increase of property taxes in Fiscal Year 2013-2014 would need to be from 4 to 6 cents in order to meet current obligations. Another option would be to reduce the General Fund Budget in FY: 2013-2014 by 5%. A 5% reduction in the General Fund would mean serious reduction in the services we currently provide. For many years Departments have cut or held constant on operating costs. Mr. Jarman stated salary increases have been minimal. Mr. Jarman discussed the One-Quarter Cent Sales Tax Information sheet. The importance of the One-Quarter Cent Sales Tax is to provide Lenoir County taxpayers with alternatives to the pressure to raise property taxes to address County needs. Mr. Jarman stated the effect of an additional One-Quarter Cent Sales Tax on a \$100 purchase is 25 cents. Mr. Jarman indicated there are some things that are not taxed such as non-prepared food, prescription medications, gas, diesel, vehicle purchases and services not currently taxed, would not be taxed by the One-Quarter Cent Sales Tax. Lenoir County citizens are currently paying One-Quarter Cent Sales Tax when shopping in the surrounding counties of Duplin, Onslow and Pitt. Mr. Jarman stated all persons visiting or who shop in Lenoir County while passing through will contribute additional revenue for County needs, and thereby assist to minimize our property tax burden.

Mr. Jarman stated what is spent in Lenoir County will stay in Lenoir County. The One-Quarter Cent Sales Tax is a “point of sale” sales tax, so what is spent with Lenoir County businesses will stay in Lenoir County. Lottery proceeds have not been a stable source of revenue for our school construction, so another source of revenue is needed. Mr. Jarman indicated Lenoir Community College does not receive any lottery proceeds for construction needs. Mr. Davis inquired if the NC Association of County Commissioners was lobbying the legislature about the NC Lottery Funds that have been cut for 100 counties. Mr. Jarman stated the NC Association of County Commissioners is actively lobbying with the General Assembly to have funds reinstated. Mr. Daughety inquired about the amount of unassigned Fund Balance (Savings) of \$9.8 million and if the amount is plus or minus the \$1 million Fund Balance (Savings) to be used from the School Capital Account. Mr. Jarman stated the Fund Balances (Savings) are separate accounts. Mr. Rouse inquired if a consolidated list of 5% Projected Budget Cuts could be provided and how it will affect our citizens. Mr. Jarman stated 5% Projected Budget Cuts for Fiscal Year 2011-2012 were presented the previous year and a revised 5% Projected Budget Cut for Fiscal Year 2012-2013 list will be provided to the Board. Mr. Davis inquired if One-Quarter Cent Sales Tax was delayed, would property tax funds received from new industries be of assistance with the County’s current budget crisis. Mr. Jarman stated the funds would help. Ms. Brown inquired if the Blue Ribbon Ad Hoc Committee has been disbanded. Mr. Griffin stated the reason for the disbandment of the Blue Ribbon Ad Hoc Committee, was there was not enough time for the committee to make a decision concerning placing the One-Quarter Cent Sales Tax on the ballot. Ms. Sutton stated if the sales tax is not approved, some services will be terminated and property tax will increase. Mr. Jarman stated the County will not be able to continue to spend the Fund Balance (Savings) and additional revenue is needed. Mr. Davis stated if the sale tax is approved, the property tax would not increase as much. Mr. Daughety stated after speaking with his constituents, the constituents would not be opposed to the approval of one-Quarter Cent Sales Tax; however there should be a specified timeline for One-Quarter Cent Sales Tax. Mr. Daughety stated in lieu of a property tax increase, his constituents suggested freezing County spending until the anticipated funding has been reached. Mr. Jarman stated the Department Heads are very conservative with their County spending and citizens needs would not be met if funding was frozen at the current level. Mr. Graham stated the task of today was to educate the general public, on whether or not the One-Quarter Cent Sales Tax should be placed on the ballot. Mr. Graham stated the General Assembly gave an option to assist all counties with the budget crisis and increase the revenue within the County. Mr. Jarman presented a Resolution Stating Intent to Proceed with a Non-Binding Advisory Referendum Authorizing a .25% Local Sales Tax for Lenoir County to be placed on the ballot to the Board. Mr. Tommy Hollowell, Assistant County Manager read the One-Quarter Cent Sales Tax Resolution to the Board. Upon a motion by Mr. Davis and a second by Ms. Brown the resolution was unanimously approved.

Mr. Rouse stated the Resolution for General Aviation for Small Planes will be provided to the Board at the next Board of Commissioners Meeting. Mr. Daughety suggested the County acquire more information about General Aviation for Small Planes. Mr. Davis commended Don Howard and Jim Fain for exceptional work with the Global Transpark.

Mr. Rouse read the Resolution on Golf Carts on County Roads to the Board. Mr. Jarman stated the General Statute gives the County the authority to regulate Golf Carts on County Roads by Ordinance not resolution. Mr. Jarman stated the Sheriff's Office, and Highway Patrol Office would like to be involved with the creation of the Golf Cart Ordinance. Chris Hill, Chief Deputy stated LaGrange is currently driving golf carts and if an ordinance is created for Lenoir County, the laws will be enforced. Mr. Daughety suggested a committee be appointed to work with a Golf Cart Ordinance.

The Board commended Mr. George W. Graham, Jr., Chairmain regarding his selection to replace William Wainright on the ballot for the NC House of Representatives.

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

Item No. 2 was Items from the County Manager. Mr. Jarman discussed the Memorandum for NCACC Solicitation of County Legislative Goals Proposals for 2013-14. Mr Jarman addressed the Designation of Voting Delegate to NCACC Annual Conference. There is a need to select a delegate to attend the conference. Ms. Jackie Brown, Board Commissioner stated she will be attending the NCACC Conference. Upon a motion by Mr. Davis and a second by Mr. Pharo, Ms. Jackie Brown was unanimously selected as Voting Delegate to NCACC Annual Conference.

### **CONSENT AGENDA: 10Min.**

### **ACTION**

3. Approval of Minutes: Regular Board Meeting: July 16, 2012 Roberts/Jarman
4. Resolution: Approval of Releases and Refunds to the Individuals Listed Herein.
5. Budget Ordinance Amendment: General Fund: Health (Adult Health) \$700
6. Budget Ordinance Amendment: General Fund: Non-Departmental: \$711
7. Budget Ordinance Amendment: General Fund: Finance/Sherriff's Department \$1,471:  
Increase

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

### **BUDGET ORDINANCES/RESOLUTIONS**

Item No. 9A was a Resolution Approving the 2011-2012 Tax Collectors Annual Settlement. Mr. Parrish addressed the Board about the Tax Collector Annual Settlement. The Tax Department has worked diligently to collect all taxes due on real and personal property. Upon a motion by Ms. Sutton and a second by Ms. Brown Item No.9A was unanimously approved.

Item No. 9B was a Resolution Approving Insolvent Personal Property Tax. Mr. Parrish stated all uncollected taxes on personal property (for persons who listed no real property) are declared “insolvent” after the close of the fiscal year. However, every remedy allowable by law will continue to be pursued toward collection of these taxes. Mr. Graham commended Mr. Parrish on a job well done. Upon a motion by Ms. Sutton and a second by Ms. Brown Item No.9B was unanimously approved.

Item No. 10 was a Resolution Authorizing Lenoir County Cooperative Extension to facilitate the Families and Children in Transition (FACT) Program. Mr. Steve Roman, Parenting Matters & 4H Coordinator, stated FACT assists families in successful co-parenting. Co-parenting is the positive cooperation and coordination of divorced/separated parents in raising their children. Successful co-parenting skills can help put children first and creates a safe loving environment for the family. FACT helps parents effectively communicate with their child’s other parent, using conflict management, active listening, and parenting plans. According to one Lenoir County Family Court Judge current referrals to such a program are being sent to Wayne County. NC Cooperative Extension, Family & Consumer Sciences developed the successful curriculum and provided direction and assistance in the implementation of the program. Parents will be required to pay a general amount for participation as required by Family Court. These dollars will be used to provide workbooks and instruction for participants. Upon a motion by Mr. Daughety and a second by Ms. Sutton Item No. 10 was unanimously approved.

Item No. 11 was a Resolution Authorizing Acceptance of the Award of a Proportional Match 50% from the State of NC appropriated “Special Leave” provision for Lenoir County Employees of Cooperative Extension. Ms. Tammy Kelly, Cooperative Extensions Director addressed the Board stating the State of North Carolina awarded a “special leave” provision to employees as part of the 2012-2013 State Budget. Specifically, 40 hours of leave is to be allocated for full-time, leave-earning employees, and the Special Leave has to be taken with the FY 12-13 year. Mr. Graham and Mr. Daughety commended Ms. Kelly on a job well done. Upon a motion by Ms. Sutton and a second by Mr. Daughety Item No.11 was unanimously approved.

Item No. 12 was a Resolution Authorizing Acceptance of a SETRAC (Special Events and Tourism Related Activities) grant in the amount of \$11,000. Ms. Kelly stated The Lenoir County Farmer’s Market provides community access to local fresh vegetables and produce through local farmers and other vendors that produce and provide other items such as homemade baked goods, fresh eggs, local honey, etc. Upon a motion by Mr. Daughety and a second by Ms. Brown Item No. 12 was unanimously approved.

Item No.13 was a Budget Ordinance Amendment General Fund for the Finance/Sherriff’s Dept in the amount of \$3,276.77 Increase. Ms. Martha Martin, Finance Director stated the Budget Amendment is to roll forward unexpended funds from the State Criminal Alien Assistance Program (SCAAP) from prior Fiscal Years. Upon a motion by Ms. Sutton and a second by Ms. Brown Item No.13 was unanimously approved.

Item No. 14 was a Budget Ordinance Amendment General Fund to Process Funds in the amount of \$11,060.89 Increase. Ms. Martin stated this was to re-appropriate SHIP Grant funds not expended in previous years. Upon a motion by Ms. Brown and a second by Mr. Daughety Item No. 14 was unanimously approved.

Item No. 15 was a Budget Ordinance Amendment General Fund to Process Funds in the amount of \$21,098.48 Increase. Ms. Martin stated this was to bring forward unexpended funds from the EMPG Grant for Fiscal Years 2008-2009 through 2011-2012. Upon a motion by Mr. Davis and a second by Mr. Daughety Item No. 15 was unanimously approved.

Item No. 16 was a Budget Ordinance Amendment General Fund to Process Funds in the amount of \$39,000 Increase. Ms. Martin stated this was to roll forward funds from the NC Department of Juvenile Justice and Delinquency Prevention (DJJDP). Upon a motion by Ms. Sutton and a second by Ms. Brown Item No. 16 was unanimously approved.

Item No. 17 was a Budget Ordinance Amendment General Fund for Finance/Coop Ext.-Kate B. Reynolds in the amount of \$74,255.07 Increase. Ms. Martin stated this was to roll forward into Fiscal Year 2012-2013, grant funds from the Kate B. Reynolds Grant. Upon a motion by Ms. Sutton and a second by Item No. 17 by Mr. Daughety was unanimously approved.

Item No. 18 was a Budget Ordinance Amendment General Fund for Finance/Sherriff's Dept in the amount of \$151,380 Increase. Ms. Martin stated this was to bring forward unexpended Sherriff's Civil Process Service fees from prior years. The law regarding fees for civil papers served by the Sherriff's Department changed in September 20014. The amount charged for the fees has increased from \$5 to \$15 and now to \$30. Ms. Martin stated 50% of the amount collected shall be used by the Sherriff's Department for the enhancement of the service of civil papers. Upon a motion by Ms. Sutton and a second by Mr. Daughety Item No. 18 was unanimously approved.

Item No. 19 was a Resolution Authorizing the County to enter into a contract with Cloud Sherpas to install and maintain Google Apps with 10 year Archiving abilities in the amount of \$29,050. Mr. Joey Bryan, Director of MIS, stated Lenoir County has always used Pegasus Mail as its E-mail Client. This has worked great in the past and the cost has been free. However with the increase of e-mail uses and the changes in statues for retention, Pegasus Mail does not allow us to meet the specs. Google Mail which everyone is familiar with allows us to install an e-mail client that is cloud based, meets retentions specs, and does so at a yearly cost of \$83 per user. Upon a motion by Mr. Davis and a second by Ms. Brown Item No. 19 was unanimously approved.

Item No. 20 was a Resolution Approving Purchase of (2) Dodge Chargers: \$43,860. Mr. Chris Hill, Chief Deputy, stated Lenoir County Sheriff's Office currently maintains a fleet of vehicles, which are individually assigned to each sworn Sheriff's deputy. Mr. Hill stated as each patrol car reaches 125,000 miles, the vehicle is transferred to another division in the Sheriff's Office, where high speed performance and reliability is not a crucial factor. Each year the Sheriff's Office purchases patrol cars to replace cars that have met this mileage standard. Although the Sheriff will not be purchasing patrol vehicles for the 2012-2013 fiscal year, the two budgeted vehicles will be assigned to LaGrange, and the cost will be reimbursed by the Town of LaGrange. Upon a motion by Ms. Sutton and a second by Ms. Brown Item No. 20 unanimously approved.

Item No. 21 was a Resolution Approving Service Providers Required to Comply with Lenoir County Transit Drug and Alcohol Test Policy. Mr. Joey Bryan, Transit Director, stated as of March 10, 2008, Lenoir County Transit (LCT) took operations in-house. This included complying with North Carolina Department of Transportation (NCDOT) in all areas of Operations which involve Safety Sensitive employees. LCT's Drug and Alcohol Testing Policy requires that Safety Sensitive employees submit to Drug and/or Alcohol testing in a variety of circumstances, including but not limited to, Pre-Employment and Random Selection. LCT must ensure that all DOT Drug and Alcohol Testing requirements are being met. Upon a motion by Mr. Daughety and a second by Ms. Sutton Item No. 21 was unanimously approved.

Item No. 22 was a Budget Ordinance Amendment Capital Improvements for Economic Development in the amount of \$2,345,572 Increase. Mr. Tommy Hollowell, Assistant County Manager, stated this was to roll forward and distribute prior years unexpended Economic Development and Building & Grounds Funds into the appropriate expenditure lines in the Capital Improvement Fund for Fiscal Year 2012-2013. Mr. Daughety inquired about the Soccer Complex monies listed on Fund 40 and if that amount could be used for the budget crisis. Mr. Hollowell stated all funds had to stay within Fund 40. Mr. Griffin clarified the monies were to be used as a match for a Clean Water Trust Fund Grant and were to be used for the Soccer Complex only. Upon a motion by Ms. Sutton and a second by Mr. Daughety Item No. 22 was unanimously approved.

Item No. 23 was a Resolution Approving Lease of Land to Barnhill Contracting Company in the amount of \$25,000. Item No. 23 was pulled.

**APPOINTMENTS**

Item No. 24 was a Resolution Approving Citizens to Boards, Commissions, Etc. Upon a motion by Ms. Brown and a second by Mr. Davis Item No. 24 was unanimously approved.

<b><u>BOARD/COMMITTEE/COMMISSION</u></b>	<b><u>APPLICANT/CURRENT MEMBER</u></b>	<b><u>TERM EXPIRATION</u></b>
Lenoir County Transit Advisory Board 1 <sup>st</sup> Appearance	Courtney Boyette	August 2016

Mr. Graham adjourned the meeting at 11:02 p.m.

Respectfully submitted,

Reviewed By

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Clevette F. Roberts  
Interim Clerk to the Board

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Michael W. Jarman  
County Manager