

MINUTES
LENOIR COUNTY BOARD OF COMMISSIONERS
January 3, 2006

The Lenoir County Board of Commissioners met in regular session at 9:00 a.m. on Tuesday, January 3, 2006 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 Paul Taylor and Commissioners, Jackie Brown, Claude Davis, Earl Harper, Chris Humphrey, and Wayne Pittman.

Members absent: None

Also present were: Michael W. Jarman, County Manager; Tommy Hollowell, Assistant County Manager; 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. Mr. Pittman offered the invocation and Mr. Graham led the audience in the pledge of allegiance.

PUBLIC INFORMATION

Presentation of the Lenoir County, North Carolina Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2005 by the Lenoir County Finance Department and Pittard, Perry & Crone: Mr. C. Dean Horne, CPA. Mr. Horne stated the section entitled "Management Discussion and Analyst" comes from Mr. Jarman and Mr. Hollowell, Finance Director. This was the second year this section has been implemented in the report. The highest level of opinion that an auditor can give is called an "unqualified opinion." This means that all audit tests were complete and no items were reported. Lenoir County government has received an "unqualified opinion." Under Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund (page 18) shows the reader what the county's original budget was, and what changes were made to that budget throughout the year. Total revenues budgeted were \$47,140,823 and actual revenues were \$47,831,417, leaving a total of \$690,594 more revenue than what was anticipated. Total expenditures budgeted were \$46,377,202 and actual expenditures were \$43,986,280, leaving a total of \$2,390,922. Mr. Taylor asked why Pittard, Perry & Crone do not audit the ABC agency finances. Mr. Horne stated that the ABC Agency is a specialized operation, therefore the auditors do not have to be the same. Mr. Jarman stated that Sitterson and Barker audit the ABC Agency. Mr. Horne then discussed landfill operations. Mr. Horne stated that the primary issue with the landfill is the monitoring that takes place. In non-current liabilities under accrued landfill closure and post-closure liabilities there is a care cost of \$731,890. That is the best estimate as of June 30th of what the liabilities will be in the future. This figure will increase yearly as more of the landfill is utilized. Unrestricted net assets total \$1,913,851; this is the amount available if the landfill were to close today. Mr. Graham asked for Mr. Horne's personal assessment regarding the county's financial situation. Mr. Horne stated that the county has increased its fund balance in the undesignated fund column by \$1.6 million, which improved the county's financial position. Mr. Graham acknowledged the Board, Mr. Jarman, and Mr. Hollowell for their hard work for the fiscal year.

Ms. Dana King, Board of Elections Director, discussed state voting machine crisis. Ms. King stated that there were only three (3) companies certified to sell voting machines, two (2) of the companies have dropped out of the bidding. This leaves only one (1) company that will sell, install, and train all 100 counties on the use of the machines. The Governor's office is aware of the crisis and will hopefully provide a solution to the problem soon. The county will receive \$264,000 to help pay for the software for the new voting machines. The legislature has set a deadline of January 20th for all counties to decide what they will do regarding election equipment. The Board of Elections Board will meet on January 20th to decide what steps to take next. Ms. King stated that the NCACC (North Carolina Association of County Commissioners) has sent a letter to Governor Easley in hopes to extend the deadline.

Mr. Jack Jones, Director of Social Services (DSS), addressed the Board regarding Medicare Part D. Mr. Jones stated that 250 man-hours have been used at a county expense of \$3,000 to help enroll seniors into the Medicare Part D Program. DSS workers have enrolled 563 seniors in the program. The Medicare Part D program started January 1st. Medicaid stopped paying prescription cost as of January 1st, leaving individuals eligible for dual benefits (Medicaid and Medicare) without prescription coverage. Mr. Pittman asked how many people are left to sign up and how much more time is necessary. Mr. Jones stated almost 1,000 people have been enrolled in the program, which still leaves a lot more people to be enrolled. Employees will be paid compensatory time now instead of overtime pay. The Board approved by common consent allowing compensatory time for Medicare Part D enrollment.

Mr. Jones then discussed the daycare funding crisis in Lenoir County and the nation. Ms. Susan Moore addressed the Board regarding the Subsidized Child Care Funding Crisis. According to the state Lenoir County has 3,455 children under the age of 12 who are eligible for childcare subsidy services. In November Lenoir County only serviced 1,065 children, which is only 1/3 of the eligible children. The county's current subsidy allocation is \$3,435,515, the estimated funding for this year is \$3,812,354. Key facts about families receiving childcare subsidy are: 82% of are working parents; 85% of families earn below \$25,000 per year. Parents pay a fee for subsidy services equal to 8%, 9% or 10% of their gross income. The benefits of subsidy help parents maintain employment, provides children with a safe setting, helps children to prepare for school, and provides parents with a stable childcare arrangement, which make better employees. Funding History: In 1990 the county received \$46,893 for childcare services. In 2000 the county was funded \$2,809,103 and serviced 1,849 children; in 2005 funding was \$2,852,056 and only 889 children were serviced. Why the increased costs? The "Star System" improved the quality of daycare services which, resulted in a higher costs per child. Also, an increase in demand due to Welfare Reform, a changing job market, economic changes, and inflation. Expected Total Expenditures for FY 2006 total \$3,812,354, the county's initial allocations were \$3,087,174, which leaves the county with a \$725,180 deficit. New Funds have been identified from Smart Start Funds totaling \$50,000, Local TANF Funds totaling \$75,000, County Work First Funds totaling \$45,000, State and Federal Funds totaling \$348,341, leaving a grand total of \$518,341 with a shortage of \$206,839. Emergency Measures will take effective as of January 1, 2006 such as: Reduce monthly payments to facilities 7% per child. Facility may pass cost along to subsidy family. Family will have option of selecting another provider. Limit payment for a child's absence to 5 days per month. Eliminate payment of holidays or vacation days, require monthly reporting by parents and no payment rate increases through May 31, 2006. An estimated 56 children will lose subsidy coverage as of January 2006.

Most recently approved families are first to lose services. Terminations will occur in this order: 1st – Parents in post-secondary school part-time; 2nd – Parents in post secondary school full-time; 3rd – Parents working less than 30 hours per week; and 4th – Parents working full-time. At least 56 children will lose services now. More terminations may be necessary. Ms. Moore requested that the Board contact our state and federal representatives to request additional funds for the childcare subsidy program. Upon a motion by Ms. Brown and a second by Mr. Harper, the Board approved by common consent to lobby to the state and federal legislature for relief for the Subsidized Child Care Funding Crisis.

Ms. Agnes Ho, Kinston-Lenoir County Public Library Director, addressed the Board. Ms. Ho stated that the library's 24-year-old HVAC (heating, ventilation, and air conditioning) system has to be replaced. The existing system was installed in 1982 and has separate systems for the meeting room and the rest of the building. Currently extreme heat or cold inconveniences library patrons and staff because the system has become unreliable with age. Repairs are required more frequently and replacement parts are becoming more expensive and difficult to obtain and labor cost are rising. Over the past six (6) years the library has spent over \$36,000 of its operating budget to keep the HVAC system running. In June 2000, the county helped to pay the cost to replace a compressor on the system. Former County Manager, John Bauer, advised the library to determine the cost of replacing the entire unit before another major break down occurred. Due to limited budget funds for the library the HVAC system could not be replaced. The library board suggests instead of replacing the HVAC system at a later date, the replacement should happen during the renovation and construction process. This will prevent disruption of library services, and will be more economical. If the main HVAC system is not replaced during the renovation project, it will have to be replaced within the next five (5) years. When this occurs, it will be much more expensive because of the limited access to the attic. It will also be very disruptive to the operations of the Library, since there will be no HVAC for at least 2-3 weeks. Replacing the HVAC system will reduce electrical use by about 25% compared to the existing system. It will also be less noisy and provide better control, reliability, and air quality. The estimated cost to replace the main HVAC system during the renovation project (includes new, larger chiller to serve new construction) is approximately \$240,000. Estimated cost to replace main HVAC system within 5 years, not as part of the renovation project (includes same-size replacement chiller) is approximately \$400,000. Mr. Pittman stated that he feels this problem should have been brought to the attention to the Board when the Bond Referendum was passed. Ms. Ho stated that the maintenance of the building is the county's responsibility and could not be included with the bond referendum. The bond referendum was specifically for the renovation and construction of the new library. Mr. Graham stated that budget preparations would begin in 4 – 6 weeks, and suggested that this matter be tabled until budget work sessions can begin. Ms. Ho stated that if a decision were postponed for 60 days it would delay the construction of the building. Mr. Jarman stated that he would like to wait 2 to 3 weeks to make a determination. The Board asked that the Library Board and the manager meet to discuss the matter in depth, and return with a recommendation. The Board tabled the request until the next meeting date.

CONSENT AGENDA

Upon a motion by Mr. Davis and a second by Ms. Brown, the Board unanimously approved the following items on the Consent Agenda:

1. Approval of Minutes: Regular Board Meeting: December 5, 2005
Closed Session Minutes: December 5, 2005 Aytch/Jarman
Aytch/Jarman
2. Budget Ordinance Amendment: General Fund: Emergency Medical Services: \$460:
Increase Dail/Hollowell
3. Budget Ordinance Amendment: General Fund: Sheriff's Department/Non-
Departmental: \$1,423: Increase Smith/Hollowell
4. Budget Ordinance Amendment: General Fund: DSS: \$48,529: Increase Jones/Hollowell
5. Budget Ordinance Amendment: Capital Improvements: Buildings/Grounds:
\$52,000: Increase Wiggins/Hollowell
6. Budget Ordinance Amendment: General Fund: DSS: \$348,341: Increase Jones/Hollowell

RESOLUTIONS

Item No. 7 was a Resolution Authorizing Purchase Orders: Supplemental Grant Funds to be Used Dell Marketing LP: \$2,568: COECO Office System: \$3,800. Ms. King stated that the monies used to purchase the equipment will come from a HAVA (Help Americans Vote Act) grant. HAVA has stipulated what the monies could be used for, and can only be used on technology to upgrade existing equipment, and to make the elections process faster. Upon a motion by Mr. Harper and a second by Mr. Davis, Item No. 7 was unanimously approved.

Item No. 8 was a Resolution Authorizing Lenoir County Health Department to Execute a Purchase Order Contract to Miracle Recreation Equipment Company: \$5,811. Mr. Joey Huff, Health Department Director, addressed the Board stating the Health Department was awarded a grant in the amount of \$17,000 (Eat Smart/Move More Grant) by the N.C. Division of Public Health/Physical Activity and Nutrition Branch. Project II of the grant proposal is the Healthy Living Initiative that will target 30 students and their families at the St. James AME Church as part of an after school program to increase physical fitness and nutritional awareness. Upon a motion by Ms. Brown and a second by Mr. Davis, Item No. 8 was unanimously approved.

Item No. 9 was a Resolution Authorizing the Purchase of a Mapping Plotter for the CAD/GIS Position in Communications: \$8,686. Mr. Roger Dail, Emergency Services Director, addressed the Board stating the mapping plotter is for the CAD/GIS position in Communications for the purpose of allowing this position to print maps as necessary for the Emergency Services Department. At this time, this position is required to print maps for all emergency services departments in the county and does not have a mapping plotter, which is a necessity for the CAD/GIS position to be able to perform this job to the maximum capacity required. The total cost of this purchase is an allowable expense out of the Wireless Fund Balance. Upon a motion by Mr. Harper and a second by Ms. Brown Item No. 9 was unanimously approved.

Item No. 10 was a Resolution Approving the Acceptance of a Proposal for Advertisement by Lenoir Community College on the Lenoir County Transit Vehicle and the Execution of a Contract. Mr. Jarman stated that the county would receive \$200 per month in revenue from LCC for advertising on the county transit vehicles. Upon a motion by Mr. Harper and a second by Ms. Brown, Item No. 10 was unanimously approved.

Item No. 11 was a Resolution Designating an Official to Make Recommendations to the N.C. Alcoholic Beverage Control Commission on ABC Permit Applications. Mr. Jarman stated that the Lenoir County Sheriff's Office is charged with the responsibility of enforcing the ABC laws in Lenoir County. The Sheriff's Office has designated personnel who are granted administrative inspection powers to determine if a licensed location is in compliance with the rules and regulations as set forth by the N.C. Alcoholic Beverage Control Commission. N.C.G.S. 18B-904(f) authorizes a governing body to designate an official by name or by position, to make recommendations concerning the suitability of persons or locations for ABC permits. Major Chris Hill has been an employee with the Sheriff's Office for 23 years and is an ABC law instructor in the BLET program at Lenoir Community College. Major Hill has performed numerous ABC inspections in Lenoir County and has testified in ABC Commission hearings. The Sheriff respectfully recommends that the Board of Commissioners approve the requests to designate Major Christopher Hill as the official to make recommendations to the Alcoholic Beverage Control Commission concerning the suitability of persons or locations for ABC Permits. Upon a motion by Mr. Harper and a second by Mr. Humphrey, Item No. 11 was unanimously approved.

Item No. 11B. was a Resolution Approving an Additional \$25,000 for Unanticipated Internal Repairs on a 1990 615 Cat Pan. This item was added to the agenda during the meeting. Mr. Jarman stated that the estimated costs exceeded the original estimated \$60,000 cost to repair the Cat Pan. Due to unforeseen internal damage, the repairs must be made in order for the CAT Pan to safely operate. The additional repairs will include line boring, which assures proper fit of center hitch pins. Upon a motion by Mr. Taylor and a second by Ms. Brown, No. 11B was approved.

Item No. 11C. was the TACC-9 Interview Schedule: Proposed 2006. Upon a motion by Mr. Graham and a second by Ms. Brown, Item No. 11C was unanimously approved.

APPOINTMENTS

Item No. 14 was a Resolution Appointing Citizens to Boards, Commissions, Etc. The following reflects existing vacancies and appointments.

<u>BOARD/COMMITTEE/COMMISSION</u>	<u>APPLICANT/ CURRENT MEMBER</u>	<u>TERM EXPIRATION</u>
<u>Lenoir County Juvenile Crime Prevention Council</u>	Christopher Rogerson (Attorney Appointee) Mona Williams (At-Large Appointee) Beth Heath (Judge Appointee)	June 2007

CURRENT VACANCIES:

- Lenoir County Health Board – One (1) Vacancy; (1) Veterinarian**
- Grifton Planning Board – One (1) Vacancy; Expired Term; Does Not Desire Re-Appointment**
- JCPC – One (1) Vacancy; 1-Juvenile Attorney;**
- Lenoir County Planning Board – One (1) Vacancy; Resignation: District Six**
- CJPP – Four (4) Vacancies**
- Kinston Board of Adjustment – Two (2) ETJ Members; (1) Primary – (1) Alternate**

ITEMS FROM THE COUNTY MANAGER/COMMISSIONERS/COUNTY ATTORNEY

Item No. 15 was a memo from Mr. Jarman regarding Items of Interest. A joint dinner meeting will be held between the Lenoir County School Board and the Board of Commissioners on January 10, 2006 at 6:30 p.m. The 2006 NACo Legislative Conference begins March 4-8, 2006. Lashanda needs to know who is attending by February 2006.

CLOSED SESSION

Upon a motion by Mr. Taylor and a second by Mr. Harper, and unanimous approval, closed session was entered at approximately 10:38 a.m. and the following cited: Number four (4). To discuss matters relating to the location or expansion of industries or other businesses in the area served by the (public body). No action was taken in closed session. Upon a motion by Mr. Graham, a second by Mr. Harper and unanimous approval, closed session was adjourned and open session reconvened at approximately 10:53 a.m.

OPEN SESSION and ADJOURNMENT

Upon a motion by Mr. Harper and a second by Ms. Brown the Board unanimously approved a Resolution and Economic Industrial Development Agreement between Lenox China and Lenoir County. Lenox China will be hiring 100 new employees with an expansion cost of \$2.5 million. The salary range for the positions will be between \$10.50-\$12.25 per hour.

ADJOURNMENT

Upon a motion by Ms. Brown and a second by Mr. Pittman the Board adjourned at 11:23 a.m.

Respectfully submitted,

Reviewed By

Lashanda Aytch
Clerk to the Board

Michael W. Jarman
County Manager