

PITT COUNTY BOARD OF COMMISSIONERS

Budget Workshop

8:00 A.M.

Thursday, May 24, 2001

Commissioners' Auditorium, Second Floor

Pitt County Office Building, 1717 West Fifth Street, Greenville, NC

MINUTES

Commissioners present:

David Hammond, Chairman
Glenn Bowen, Vice Chairman
Tom Coulson, Commissioner
Eugene James, Commissioner
Tom Johnson, Commissioner
Mark Owens, Commissioner
Randy Royal, Commissioner
Terry Shank, Commissioner
Beth Ward, Commissioner

Staff present:

Thomas B. Robinson, County Manager
JoAnne Burgdorff, County Attorney
Susan J. Banks, Clerk to the Board
Arlen Holt, PIO and Cable Coordinator
Melonie Bryan, Director of Financial Services
John K. Bulow, Assistant County Manager

Call to Order

Chairman Hammond called the meeting to order.

Prayer and Pledge

Invocation was offered by Commissioner James.
Pledge of Allegiance to the American Flag was led by Commissioner Shank.

Chairman Hammond welcomed everyone.

Manager's Overview

Mr. Robinson said the proposed agenda will go forward as scheduled. He stated that Commissioner Coulson had mentioned he may not be able to stay for the later session today. He stated he had spoken to Marvin Davis, Greenville City Manager, who informed him that the State is considering putting in a one cent sales tax, with one-half to be used for the State and one-half for the counties. The distribution would be based on a point of sale for reimbursement. If the County will adopt it, the State would take over the Medicaid payments and put utility franchise revenues back in place, which have been frozen for some time. He said he will be looking for clarification from the North Carolina Association of County Commissioners on these issues. Commissioner James asked if the County would have to vote on this matter. Mr. Robinson said the State would put in one-half cent and the counties would have to approve the other one-half cent. He said he has indications that the inventory tax reimbursements is in the budget for the State. Commissioner James said he is not going to put in a tax burden on the citizens.

Commissioner Owens asked Mr. Robinson to explain the distribution. He stated that one cent sales tax would generate around \$14 million and one half of that would be split between the county and the municipalities. Chairman Hammond said the North Carolina Association of County Commissioners and Legislative leaders are saying that proposed legislation for tax increases have been dead issues in the Legislature.

**Engineering, Inspections, Building & Grounds, Solid Waste, Garage –
Dickerson**

Phil

Mr. Dickerson said that his department budget is less this year because some of the flood activity is dropping off and they have not added anything new. He said the County collects solid waste tipping fees from businesses. He said the collection rate exceeds 99.9%. He stated that Pam Keel handles this in his office. Commissioner Owens asked what percentage of his budget was covered by fees. Mr. Dickerson said roughly a third of his budget was covered by fees.

Commissioner James asked how much has been spent that the County has not been reimbursed from the State. Mr. Dickerson said about \$5 million has been spent on demolition and debris and has not been reimbursed by FEMA. He said he thinks they have over estimated revenues and underestimated costs. He said if the Greene County landfill opens in January then his budget will be in good shape and he has done his budget predicting this would happen.

The Board discussed the Solid Waste Enterprise Fund and household fees. Commissioner James asked how much money was made in solid waste with the increased household fees. Mr. Joel Scales said that the capital outlays in this existing year was in the amount of some \$400,000. Mr. Dickerson said the funds have gone to the ECVC facility. He said that \$1 million was spent in the Coastal Chemical project and the State reimbursed the County \$300,000. Vice Chairman Bowen asked if the solid waste fund could be used to help fund ECVC's budget request. Mr. Dickerson explained that for the last few years they have been able to do that because of the services being offered by ECVC but since the County's fund is an enterprise fund this is not possible this year. He spoke about a previous contract with ECVC. Commissioner Ward said that the \$75,000 that ECVC is requesting is not for the recycling but it is for the battery program which is why the County enterprise fund cannot be used for their budget. Mr. Dickerson said that they have made the money to pay their bills. Mr. Robinson said at a future meeting he would have a feature of the accounts and balances for the solid waste fund.

Buildings and Grounds

Mr. Dickerson said this budget reflects an increase in utilities. He said the County made an offer to the City to take ownership of the Humber House. There is no money in the upcoming budget for the Humber House repairs. Mr. Robinson said Marvin Davis has indicated that he believes the City will take the Humber House but they are trying to work out an agreement with the State for an increase for rent. Mr. Robinson said the State Division of Archives rents the facility, but with the flood the expenses have increased. There is no money in the budget for the Humber House. Chairman Hammond spoke about the house and the need to have it maintained. Commissioner Shank said this really needs to be addressed and asked that the Manager work expediently with the City Manager to get this rectified. Mr. Dickerson said this house takes a lot of maintenance and in addition there is some FEMA money involved.

Housekeeping

Mr. Dickerson said the housekeeping contract budget is \$75,000, which is under last year's contract and the County is receiving good service.

Mr. Robinson said that Buildings and Grounds staff spends a lot of time to moving people around to shift space because there is no place to put the staff. Mr. Dickerson said they have requested two people in the budget. There is a need for a maintenance people for moving people and cutting the grass.

Paul Jones said that Mental Health and Social Services are the most time consuming for moving. He said they had approximately 200 moves last year. They also use inmates from Maury for grass cutting which is free help. Ms. Burgdorff stated that the properties the County has received through foreclosure have to be maintained with grass cutting and other maintenance. Commissioner Royal suggested these services could be contracted to a private agency. Commissioner Shank asked if Mr. Dickerson was saying that the grounds work was not going to be done because of lack of staff. Mr. Dickerson said that some jobs may have to wait a little longer. He said there is an on-call maintenance man for the Detention Center. Commissioner Owens said the details need to be left to Management and staff to address and move forward with the budget deliberations.

Capital Outlay

Mr. Dickerson spoke about renovation plans for the Courthouse. He said in the addition there were fire codes that needed to be addressed. The City waived the fire code requirements until the remainder of the renovations could be completed because the County has guaranteed to have the work done. He said there are continual electrical problems because there is not enough power. He encouraged the Board to move forward with the renovations of the Courthouse. He said the Administration Building is not in the budget. The Animal Shelter is not in the budget. A new storage building may be squeezed out in this budget. Commissioner Shank said that the new Administration Building was one of the items that was identified which would help with locating Social Services staff in one area or building. The Animal Shelter was also an identified priority. She said that the tax increase that the Manager is recommending does not even include these items. Mr. Robinson said he was trying to keep the budget down and by putting these facilities in the budget would still be \$2 million out of balance.

Solid Waste

Mr. Joel Scales reported that the Solid Waste Department is looking to bid out the work for the changes on the disposal contract if the landfill opens in Greene County.

County Garage

Mr. Scales said the County took over the Garage two years ago. They have been evaluating ways to increase efficiencies and looking to save County money by outsourcing some of the work. He recommends reducing staff by two people. Commissioner Ward said that the operations were split between the County and the Board of Education and the County would now be taking care of the County's vehicles. Mr. Dickerson said the County operations were separate but the people were under the supervision of the Board of Education and now the County supervises the people who do the County's work. Vice Chairman Bowen said two mechanics will be gone on June 30, 2001. Mr. Scales said the supervisor would be a working mechanic that does tire work and spot check the outside work. It costs the County \$55 to \$65 an hour to do an oil change and it is cheaper to farm this work out. Chairman Hammond asked about cleaning the vehicles. Mr. Scales said they have a contract with Adams Car Wash for cleaning vehicles. Commissioner Ward said this is an excellent plan which will be a much more cost efficient operation. Vice Chairman Bowen asked if all the four bays would be used and asked if the facility could be used to contract with a mechanic to do the contract work in the facility.

Coordinated Permitting System (MIS) – Mike Taylor, Phil Dickerson, James Rhodes, Glenn Cutrell, Bobby Joyner, Harry Whitley, Stanley Peaden

Mr. Robinson said the Coordinated Permitting System is a \$180,000 expenditure and is crossing over departments. Mr. Mike Taylor explained the coordinated permitting system. It will be a one stop shopping concept for citizens. He explained the separate systems that currently exist in each department. He said customers are currently being routed to each department.

Staff wants to achieve the following with this system:

- uniform permitting application across departments

- increased customer satisfaction
- elimination of duplicate data entry
- reduced processing times resulting in increased productivity
- flood plain determination
- facilitation of data sharring
- code compliance
- increased accuracy in tax assessment

They have identified system requirements and the team has reached a consensus on viability and benefits of the project. They have agreed on a phase in of the project. They are requesting funds for the initial implementation of the project. Software, training and implementation would cost \$180,000. If approved, they would move forward with bidding out the project. They would like to move forward now so that it would be in place for future planning needs, migrating applications off the mainframe computer and it would reduce human error. It should curtail need for additional staff. Commissioner Owens asked if there would be a need for more staff? Mr. Dickerson stated they would use the same staff and no new staff is needed. Commissioner Owens asked about additional costs. Mr. Taylor said about \$20,000 annually would be needed for ongoing maintenance and software updates. If it is made available for outside agencies, there would be an additional cost and they would come back to the Board with this request. Mr. Rhodes said this is the third year this has been requested. Chairman Hammond asked how quick this system could be outdated? Mr. Taylor said that is the purpose for the \$20,000 for annual updates which would expand the life of the system. He said he hopes to do as much of the implementation in house as possible. The vendor would come in and do formal training on the application. Commissioner James explained how the permitting process works if you live in the flood plain. Mr. James Rhodes explained the permitting process and how many different agencies the person has to go through to get a permit. Mr. Harry Whitley, Environmental Health Supervisor, spoke to Commissioner James comments about placing a mobile homes on property. Mr. Bobby Joyner stated that this is taken one step further, so when they go out to do an inspection, that information will be on the system for years. He said they can take a picture of a facility or residence and always have it on the system in case of emergencies and can be accessed.

There was a short break called by the Chairman.

Planning, Community Schools & Recreation - James Rhodes, Alice Keene

Mr. James Rhodes gave a report on accomplishments for the last year. He said they are about halfway through the buyout plan. He provided a report of the replacement program. Hazard Mitigation Grant Program Relocation report was given. Projects covered were the Northwest Planning Area and Zoning Ordinance. The Land Use Plan update has been contracted out and staff will assist with the plan. Other ongoing activities include: review of subdivision plans and manufactured home plans, technical assistance for some of the small towns, environmental planning including updating of some of those ordinances. The Perpetual Drainage Maintenance Committee has begun meeting. Transportation Planning with the State and City has been an ongoing project. Recreation Planning including Coastal Carolina Trail and Intergenerational Center is continuing and the Census 2000 review and compliance is a current project. The E911 Addressing system means all new subdivisions and tracts are assigned addresses. The Planning staff converted addresses in the Village of Simpson and Town of Ayden for block addressing. They are also maintaining street signs.

Mr. Rhodes said their number one priority is Flood Recovery. Programs and requirements are being changed regularly. It is taking time to clear up property titles. A new matter they are dealing with is how to maintain the new properties the County has acquired through the buyout program. He reviewed the Land Use Planning Efforts. Commissioner Shank said she would like to talk about farmland conservation trusts. He stated that it would be addressed in the Comprehensive Land Use Plan. Administration of NW Planning Area Zoning Ordinance is ongoing and they are working to finalize the Highway 11 planning area. Mr. Rhodes reviewed numerous other projects that are ongoing in the Planning Department. He also spoke about the Beaver Dam problem.

Planning, E911 Addressing, Recovery Operations Center, Soil Sedimentation and Control Budgets – James Rhodes, Planning Director

The total budget increase was 8.3%. The soil sedimentation and control technician needs funding. A grant has been requested but the State for soil sedimentation and control but it will not fund the salary. They are apply for this grant for soil sedimentation and control but it will function as an enhancement from the State with the Coordinated Permitting Program. He is looking for help from private companies. He has requested a vehicle for the department. There are maintenance of the buyout program properties monies are included. The redistricting of election districts is being prepared. They are asking for six months funding of position for redistricting and additional money for publications. In the E911, they have hired a full time position for road sign maintenance. The Recovery Operations program is decreased but travel has increased.

Housing Assistance Programs

They are looking at different options for the buyout properties.

Commissioner Owens asked if any information about redistricting had been submitted to any commissioner. Mr. Rhodes and Ms. Burgdorff said they had not presented any redistricting information to the commissioners at this point. Commissioner James asked why the City can provide information and the County has not. Mr. Rhodes said there are 3700 census blocks in the County. This information has to be put in the Geographic Information System (GIS) including racial make up and other criteria which they are downloading this information. He said he has people working at home at night trying to get this information ready.

Commissioner James said that the department is requesting an 8.3% increase but we should live within our means. Mr. Rhodes said that all the new activities are included and if the Board wants to farm out some of the work it will cost more than the County staff doing the work. Vice Chairman Bowen said he thinks Mr. Rhodes and his staff are doing an excellent job.

Community Schools and Recreation Planning

Ms. Alice Keene stated that it is important to continue looking for a site for the community schools program and to continue with recreation needs. She provided information on the increases in these programs. She said they need improved soccer fields. There has been a 25% increase in the summer programs. Ms. Keene stated that they have added programs over the last few years such as wrestling, volleyball and girls soccer. They have a continued increase in senior citizens activities. There has been an increase of 17% in senior games and 43% growth in senior exercise programs. She reviewed interagency programs. Pitt County will be receiving a community partnership award from National officials this Saturday. They continue to develop activities across the community. Chairman Hammond spoke about the extra twenty (20) acres of land that Pitt Community College bought that they have no immediate plans to use. Chairman Hammond said that property is already owned by the County and suggested community schools should look into this property.

The priorities remain as follows:

- property for center
- intergenerational center
- school parks
- trails
- develop park complex

Ms. Keene said they support the municipalities by providing facilities. Commissioner Owens asked about participation by youth in community schools activities from the Farmville, Falkland, Bell Arthur areas. She stated that about 200 youth participate from those areas in the soccer program and

she was not sure about other programs. She said they have done about five or six projects to bring the Stokes project to where it is today.

Emergency Services – Bobby Joyner, John Bulow

Mr. Joyner said that there is a crossroads in local government. He said that staff has asked the Board for three years for EMS funds. A consultant was hired to make a recommendation. He said they looked at a lot of different scenarios and came up with a recommendation. He stated the County needs to supply help to some rescue squads. He asked the Board to give every squad \$30,000 upfront this year. And recommended \$30 per call be paid to the rescue squads. He said they feel like this is the way to accomplish meeting the immediate needs of the rescue squads. A fee for services should be paid by billing for all ten squads in the County either performed by the staff or contracted out with a company to provide a collections service. He said the rescue squads are still going to need money. He asked the Board to implement a three cents tax increase for EMS for next year. He said there are not enough people in the communities that can be hired to provide coverage for the whole County. He said that the squads that already are taxed will not see much difference or may have a lower tax. The City of Greenville residents will not be taxed this three cents. There should be \$900,000 generated. The consultant said they would collect around \$400,000 initially with the tax. There would then be a fund balance to get started with for the next year. Rescue squads could then come to the County with their request for funding each year. Mr. Bulow stated that the Bell Arthur and Eastern Pines rescue tax would actually go down. This would give opportunity to have a year to get prepared for other changes. Mr. Bulow said this estimate was given to them from the company that would collect the funds. He said they want a safety net built in. They could lower the rate next year if there is a good fund balance. Commissioner Coulson asked how much insurance pays on rescue calls. Mr. Bulow said they would aggressively pursue all options for collections.

Mr. Bulow said that the actual cost for a call is over \$600 and the reimbursement rate on Medicaid is about \$80. Mr. Robinson said that there may not be a need for all ten rescue squads if there are not but one or two calls per day in some areas. He said there may be a need for some consolidation of squads. He said they are looking to make sure there are no failures during this year.

Commissioner James said there are many questions to be answered before a tax increase is approved. He asked if the Hospital had expressed an interest or been approached to see if they would help in providing rescue services. Mr. Joyner said that the Hospital is not interested. Commissioner James asked if they had checked with Wilson County on how their system works because he had heard that their services were provided by a private source. Mr. Bulow stated that the consultant showed that Pitt County puts in \$400,000 annually into rescue and most counties this size are putting in an excess of \$1 million. Commissioner James said all avenues need to be considered before action is taken. Mr. Bulow said it takes people, gasoline, and equipment to provide this service. Mr. Robinson said there is no way to cover the cost with fees and the Board will need to raise the fees. He said he had spoken to Dave McRae and the Hospital may be interested in working with the County. Mr. Robinson said this is going to be a painful transition and its going to take a year to put this in place. He said the systems are going to fail. Mr. Joyner said they are already failing to meet the needs. Commissioner Coulson said law enforcement, public safety and education are what the government is supposed to provide for the people. He said rescue services are the County's responsibility and the County needs to step up to the plate. He said the Board has let the County down by using the volunteers for so many years. He said this needs to be addressed by the County. Commissioner Ward thanked Mr. Joyner for his persistence and said it is shameful where the County ranks in funding and how emergency services have been supported.

Commissioner Owens asked what was incorporated in the present budget. Mr. Robinson said that the three cents EMS tax is in the budget. Mr. Bulow clarified that this is a separate expense on the budget and effects only the unincorporated areas of the County. Vice Chairman Bowen said that the Hospital Foundation President has said they would be glad to help. Mr. Joyner said when the board members go out and talk to people without including the staff, then the staff does not know what is going on and the information is not consistent with what staff is being told. Commissioner Coulson said he met with Dave McRae and they expressed no interest in helping the County with rescue services.

Outside Agencies

- *Winterville Historical & Arts Society – Ms. LaRue Evans -\$6,000*

Ms. Evans stated they have restored the Ange House to be a historical museum. She said they need to have an inventory done with history facts on each object and recorded and enter into the computer. They have had a class of volunteers trained and willing to do this job. They have someone who is willing to help them with a plan for displaying these artifacts. In North Carolina, historic sites and museum usually rank 4th in travel interest. Winterville and Pitt County needs to be included in the travel and tourism and it will help the local economy. Ms. Evans said they had a reception at the museum and now they people wanting to know when it will be open. She said the need exists and they need to provide this educational facility to the people. She said they have enough artifacts that they can rotate them on an annual basis. Vice Chairman Bowen asked what Winterville is doing for them. She reviewed a number things that the Town of Winterville is doing for this facility. Commissioner Ward asked what the \$6,000 from the County would be used for, which was noted that was a \$3,000 increase over what they received last year. Ms. Evans said the funding is for labels and display cases for the artifacts. She said there is grant money available that they are pursuing. Commissioner Owens thanked Ms. Evans and stated his support of this Board helping with the museum. She provided the Board with a brochure that they distribute at the Visitor's Center on Interstate-95.

- *Sentencing Services Program – Mr. Christopher McPhatter - \$10,500*

Mr. Christopher McPhatter, said the program was formally called the Community Penalties program. He said they have traditionally received \$10,500 from the County. The mission of the program is to provide the Judges with information about the offenders prior to their sentencing. These people fall in the IA range where Judges have discretion on whether they want to send them to prison or leave them in the community. He said they try to match appropriate resources with the appropriate offenders. They offer a sentencing plan and use assessment tools to match and meet the weaknesses of the offenders as well as attempt to keep recidivism at a minimum. They have a local advisory board and a local plan. Mr. McPhatter said Superior Court Judge Duke signs off on their plan and they submit it to the State. He said the County provides the match share amount of \$10,500 and if the County is not going to be able to provide those funds, then they could use office space provided for in-kind match. Vice Chairman Bowen asked him questions about the board. He said the match requirement is based on the budget.

- *Farmville Child Developmental Center – Ms. Nancy Johnson - \$10,000*

Ms. Joyce Albritton, Secretary of the Board for the Farmville Child Development Center, stated that this agency serves children with a diagnosed disability or at risk children from birth to five years of age. The children then go on to the public schools. The children are referred from Pitt County Mental Health and Pitt County Schools. She said they bill Medicaid for their services. She said they cannot provide the service for these children for the funding they receive from Medicaid. Each child has an educational plan. Every year it get tougher and last year they were faced with a shortfall. They are doing everything in their power to keep it open. The Mental Health and the School System have both expressed the need to keep this agency open. They have asked for \$5,000 from the Town of Farmville. They are housed in a house that was given to them from a Farmville resident. This center has been in operation for some thirty (30) years. This Board of Commissioners funded \$10,000 annually until a couple of years ago. She said the \$10,000 is a good buy because these children are from dysfunctional homes and the early intervention is an insurance policy that will save the County and State later. Commissioner Ward noted that these are County children, not just Farmville children, and if they are being prepared to become ready for school. She said if they are not served here, these children will have to receive one on one services. Commissioner Owens said he had served on that board and the United Way had to come in to keep it going. Commissioner James said that Pitt County Mental Health and the Board of Education need to pay them for their services. He said they should not have to come back to this Board for funding. Commissioner Owens said he supports the County funding this program. Commissioner Ward clarified that they cannot get funding from the Schools until they are three years old.

Ms. Albritton said that if they can get the children as infants then they work to get them ready so they can enter the public system at five years old.

- *Eastern Carolina Vocational Center – Mr. Doug Bonds - \$75,000 request (reduced to \$25,000)*

Mr. Bonds stated that Mr. Dan LaRue, Executive Director of the Eastern Carolina Vocational Center, expressed his personal regret that he could not be at the meeting. He informed the Board of an invitation for them to have lunch at ECVC on June 18, 2001. He said that ECVC looks at its relationship with the County as a partnership. Their request for funds is to assist the cost of replacing a battery terminal lug machine. He said this program helps the clients with self-esteem, education, and other personal improvements. They will be depleting their capital funds. He said if the County could give \$25,000 it would help them plead their case with other agencies. Commissioner James praised the job that they do at ECVC. He said the County should find the funds to help them.

- *Family Violence Program – Ms. Diana Lucas - \$15,000*

Ms. Diana Lucas, Executive Director of the Family Violence Program, said the need of their services has grown and the need for more than a safe house has also grown. She said that \$15,000 requested is only 2% of their budget but it is local support that provides them with leverage for other funds. She said that 30% of the clients are from the County with the remainder from the municipalities. She said they need their State and Federal money to help get other funding. She said they are trying to do outreach in the community. She said they have had an 8% increase on victims served. They have less people in the safe house which means they are getting help for the people before the violence occurs. She said the funding indicates the support and a commitment from the community with the victims. Ms. Lucas said they have an agreement with the West Greenville Housing Authority. They work constantly with the Sheriff's Department. The children of domestic violence turn out to be domestically violent parents unless they are provided with intervention and training. She said they do assessments for all Work First clients. With Pitt County Mental Health, they identified help for abuser treatment program. They will provide two extra counselors for the abuser treatment program. Sixty-four percent of their clients are County residents. Abuse by adult children is on the rise in the elderly population. They are trying to support the other county agencies also.

Commissioner Owens asked about funding from Pitt County. She said they receive all their funds from within Pitt County.

Chairman Hammond called for a recess at 12:15 p.m. for lunch and would reconvene the meeting around 12:45 p.m.

Chairman Hammond called the meeting back to order at 1:00 p.m.

Commissioner Coulson was absent.

Mr. Robinson said tax base and the tax rate are both below the state average. He said the commissioners have indicated their desire to improve education, emergency services and other areas. The County needs money to do the things that have been discussed. Before the \$30 million was received from the Hospital, the Board set a goal of maintaining a 16-18% fund balance. He did not recommend spending the \$30 million from the Hospital and said it should stay invested. However, with that money there, he suggested the Board could look at the policy of holding the fund balance at 16-18% and consider lowering that rate, this one time. Mr. Robinson said there is one priority that he did not put in the budget but the space is truly needed and that was the administration building which would free up space for Social Services. He said it sounded like the Board wants to restore some of the funding for the some of the outside agencies.

He suggested that what he has gotten from the Board's comments is to reconsider:

- Funding the Administration Building

- Drop the fund balance to 10%
- Hold the tax increase to 3 ½ cents
- Not adopt the County budget until the General Assembly adopts the State budget

Mr. Robinson said that he will present the Manager's recommended budget at the June 4 Board meeting. He then asked for Commissioners' comments.

Commissioner Owens said he was glad the Manager has hit on some the things he would hit on. Commissioner Owens concluded that the budget should be the amount of revenue that you have available. You can't spend more than what you have. The 1999-2000 budget amendments of \$3.5 million during that year. It was good to have the economy and fund balance to take care of it. Commitment is there to fund the schools as indicated. Fund balance and set aside funds are for schools. There is \$1.6 million designated on the compact and this would take money from the \$30 million to meet the needs of the school as the first priority. He said he would like the Manager to re-look at the following areas:

Manager's Budget

PIO Budget

School Security

Planning Department

\$212,000 increase in Planning

Culture and Recreation

Spent \$25,000 last year on commissioners' travel and \$19,000 this year but if in dire straight for monies, maybe some moratorium should be considered on commissioners' travel.

2% COL including 30% increase for employees

Commissioner Owens said then the Manager should come back with a budget and the Board can approve how to fund it. The \$30 million and other fixed costs needs to be looked at again. The way the \$30 million is invested may need to be looked into, such as reconsider the fixed versus equity investments and make a report to the Board and tell him if that trend needs to be continued for funding of schools.

The Fund Balance other than the \$30 million, that is the 14-15% fund balance has enough that it could be used to fund this budget and plus then reconsider the things he mentioned as well as the things people mentioned this morning.

Commissioner Owens questioned the funding for the North Carolina City/County Managers' Association instead of things like the cultural arts and child development center. He instructed the Manager to bring back figures that follow his request.

Commissioner Johnson said the presenters and the staff have done a good job at reviewing requests. He asked that a different term be considered for "outside" agencies such as special requests. He said the Board should take a very serious look at these requests.

Commissioner James stated that he supports Commissioner Owens' comments but also look at: Pitt Community College, contingency of \$300,000 versus \$400,000, look at revaluation, hospitalization @ 27.12% increase, and stated that the County should help all areas of Pitt County. He noted that there were requests from north of the river but there is a Pactolus-Stokes Booster club that is active and should be treated equally,

Commissioner Shank said the Board has heard from the Manager. She stated that if the Board wants him to cut something, the Board should tell him where they want the cuts made. The departments made excellent recommendations. It is a disfavor to the Manager to tell him to "re-look" at items and the Board needs to provide him with better direction. She said she was impressed with the a holding the line attitude. She agreed with using fund balance to 10%, funding cultural (outside) agencies and stated that

ECVC should be fully funded in the amount of \$75,000. She has further comments about capital outlay at the appropriate time.

Vice Chairman Bowen asked about the 2% cost of living. Ms. Bryan stated that the cost to the County was \$418,000. Vice Chairman Bowen said everytime he mentioned using the \$30 million he's told it is for the schools so why not give them what was made off of that money only. He said the agreement is for them to be in the top third but the Board can only obligate the interest on the \$30 million.

Commissioner Bowen stated that the Public Information Officer's budget increase was because the Board authorized the hiring of another person in that office. Mr. Robinson said televising on the County's own channel was an increased expense. Vice Chairman Bowen asked if Commissioner Owens was talking about using fund balance in lieu of a tax increase? Commissioner Owens said he didn't mention a tax increase. Commissioner Owens said to look at fund balance and see what it will fund.

Commissioner James said the Board should not to go up on taxes. Vice Chairman Bowen said people have had a bad year for farming, businesses, etc. and do not need an increase in the tax rate.

Commissioner Owens said he believes the \$30 million is for the schools. It does soften the use of fund balance when there is \$30 million in another fund balance and that the economy will rebound and the Board can go from there.

Vice Chairman Bowen said he is against taxes but he could say that with the fund balance that currently exist he would not support an increase in taxes. Commissioner James said that the \$30 million will do what it is supposed to if it is left alone. They need to work on bringing the 16% fund balance down before taxing the people.

Commissioner Royal said that the \$30 million from the Hospital is a financial cushion for the County. The interest earnings will help the County deal with the schools funding. He was interested in using fund balance. He said all the outside agencies are worthy of their funding requests and they do not constitute a large part of the budget. He said he is not sure the 2% cost of living increase meets inflation rates for the employees but he hopes there is another way to compensate employees. He said 2% is a little low. The commitment with the schools should remain strong with them striving to be in the top one-third in the State but you don't know where we'll end up within the next 12 months with the end of grade testing. He said the Board needs to support services in order to remain a leader in the east.

Commissioner Ward commended the government employees on their budget presentations. She said it was evident that the Manager worked with them on their budgets. She said she was going along with some of Commissioner Owens and Mr. Robinson's comments. She wants a report on exactly what Mr. Robinson stated at the beginning of this discussion including how much can be done with fund balance without depleting it too far with one-time expenditures. She stated the Manager may need to come back with two recommendations to make this a good process. She agreed that outside agencies should not be called "outside" agencies. She said that the Board may be looking at reducing library funding, but not to Sheppard Memorial because that is a long term commitment. She said she supports the \$75,000 for ECVC and some of these one-time expenses.

Commissioner Shank asked about how much the budget was out of balance. Mr. Robinson said 3 ½ cents or \$2 million is how much is needed to balance this budget. He said if the tax increase is not forthcoming, then the Board will need to look at reducing services. Mr. Robinson said if fund balance is used, it can be reduced but there are some recurring items that need to be looked because they need to be funding with a revenue source on a permanent basis.

Mr. Robinson said that fund balance at the end of last year was at 14.9% at the close of the fiscal year. Staff anticipates this year ending with a \$1 million deficit. The 14.9% may be in the 12% range before even starting this new year.

Mr. Robinson said that he will propose a recommended budget at the next regular board meeting on June 4th. He stated he would work on the items discussed and submit a response in writing prior to June 4th meeting. He asked that the Board members be prepared to stay over on June 4th and do deliberations at that meeting. The budget public hearing is scheduled for Tuesday, June 12th.

Chairman Hammond said when outgo exceeds the income then there is a problem. He said the demands for service are greater and the needs are greater in the departments. He said when he saw the list of non-profit agencies completely wiped out, he was disturbed. There may be some areas that are over inflated but the staff requests are real. He said the Manager has taken a look at each of these areas. He complimented Ms. Loretta Lewellyn on her communications with these people representing the outside agencies because she did not give them false hope. He said it may not be politically popular to raise taxes or cut out funding to outside agencies but it may be what has to be done to provide the services to Pitt County. He said the people elected this board to be responsible in looking at the finances and sacrifices have been made and what has to be done has been done.

UPON MOTION by Commissioner Owens, seconded Commissioner James, the Board voted unanimously to adjourn the meeting at 1:30 p.m.

Respectfully submitted,

Susan J. Banks, CMC
Clerk to the Board