

**PITT COUNTY BOARD OF COMMISSIONERS
GREENVILLE, NORTH CAROLINA
FEBRUARY 9, 2004 MINUTES**

The Pitt County Board of Commissioners met on Monday, February 9, 2004, at 3:00 PM in the Emergency Operations Center Conference Room, in the basement of the Pitt County Office Building, 1717 W. 5th Street, Greenville, North Carolina. The purpose of the meeting was to conduct the annual budget workshop.

Commissioners present:

Eugene James, Chairman
Mark Owens, Jr., Vice Chairman
Jimmy Garris, Commissioner
John Minges, Commissioner
Beth Ward, Commissioner
Glenn Bowen, Commissioner
Tom Coulson, Commissioner
David Hammond, Commissioner
Randy Royal, Commissioner

Staff present:

Scott Elliott, County Manager
Susan Banks, Clerk to the Board
Melonie Bryan, Deputy County Manager/Financial Services
JoAnne Burgdorff, County Attorney
Phil Dickerson, Deputy County Manager/Public Services
John Bulow, Deputy County Manager/Human Services
Michael Taylor, MIS Director
Loretta Lewellyn, Budget Administrator

Chairman James called the workshop meeting to order at 3:00 p.m.

Commissioner Hammond offered the prayer.
Commissioner Minges led in the Pledge of Allegiance.

Motion:

Commissioner Hammond motioned, seconded by Commissioner Minges, and the Board voted unanimously to approve the agenda as presented.

Dr. George Sappenfield, from Pitt Community College was introduced as the meeting facilitator. Dr. Sappenfield stated that there was quite a lot to accomplish on this agenda. He reviewed some ground rules for the meeting.

Commissioner Royal came in at this time.

The Mission, Vision, Purpose and Values were reviewed. Dr. Sappenfield told the Board members to keep the mission and vision statements in mind while developing goals.

Commissioner Coulson arrived at this time.

Mr. Elliott spoke to the original mission and vision and when they were initially formed. The Mission Statement and Vision Statements were read and reviewed. Mr. Elliott stated the purpose of Pitt County Government was "Public Service."

Commissioners were asked to state what goals they would have for the future of county government.

Facilities and Buildings – Commissioner Ward
Expansion of Detention Center – Chairman James
Education/Schools – Commissioner Royal
Improve Quality of life for all citizens – Social Services - Commissioner Garris
Step up Recruitment of Industry – Commissioner Hammond
Start operating on balanced budget starting this cycle – Commissioner Garris (this budget)

Partnerships with Board of Education, municipalities, joint purchasing, how efficient and effective we can be; look at other sources of income rather than ad valorem taxes. Something besides fees. – Chairman James.

Look at outsourcing services – Commissioner Mingos suggested consideration of pulling back some in the level of services provided to the citizens.
To "Be a Leader in the State" and the "Best Counties in the East" means there is a cost factor; You can't be a Scrooge and be the best – Commissioner Hammond.

Safety and emergency services- need communications systems- equipment is 30 years old – Commissioner Mingos.
Commissioner Ward supported expanded EMS and safety as well as Communications and the Sheriff's Department.

Commissioner Hammond suggested the staff could do more to centralize services; bring services to one location and decrease lease and rental costs for cost savings.

Commissioner Mingos said so much time is spent putting out fires instead of looking down the road. He said we need to plan for down the road.
Chairman James said the bottom line is funds. If we want to do what we are saying, we've got to get another revenue source.

Commissioner Mingos spoke of transfer or land tax fees and clean up some of the stuff we currently have now. He suggested a policy be put in place that all the delinquent taxes must be paid before transferring a title. He suggested that a land transfer tax may be the way to generate additional funds. He said the Board should review current sources of funds and property utilization.

Commissioner Bowen said that certain services have to be provided. He said he does not want to state his priorities because he does not know how much money is available to address those priorities.

Vice Chairman Owens said he needs to know who may have the needs as well as the dollars. He said he needs to know how revaluation will come in before they focus on the departments needs and requests.

Mr. Elliott said they have the same list as they had last year. Commissioner Ward said they need to see if they all feel like the order of the goals is still current. Commissioner Ward said they need to figure out the funding needed and see what can be done with each of their priorities.

Commissioner Coulson said the county may have an increase in funds but the citizens are already paying their increase and they cannot afford another new tax. He said he hopes this Board does not consider a land transfer fee. He spoke of other new fees with municipalities fees. He said these fees are backdoor ways of generating revenue and leave the citizens with less to spend. People need to know some of the commissioners are opposed to additional fees and taxes.

Commissioner Garris said he wants the County to continue to build on the relationship with the Board of Education and send a message that we are working on it. Commissioner Ward offered support for recreation.

Commissioner Royal asked about making more specific goals.

Commissioner Bowen said the Board needs to add funding back into recreation. Chairman James spoke about the schools facilities that are open at night for recreation. He said the Board and County is involved in recreation in a big way.

Commissioner Royal said there will have to be some sacrifices but the Board needs some realistic goals.

Commissioner Ward said they have made some hard decisions this year and Human Resources has done a good job keeping them informed. They need some specific policies about downsizing and they need to look at all departments policy. The Board needs guidelines for these type of decision.

Commissioner Ward and Chairman James both agree that the Board needs to clarify some ordinances and policies that are currently in effect. Commissioner Ward said they need the Board's support when departments come to them for help. Commissioner Hammond said the State mandates counties to do things differently with their guidelines versus County policy.

Commissioner Minges said they need statistics that will help mold and shape the County. He said that 20% of the people are already living in poverty. Mr. Elliott said if there are statistics that this Board wants, they will provide them if they know what they want provided.

Commissioner Minges spoke of the growth of seniors and changes in population, mental health reforms and how to serve that population. He said in light of industries closings, the Board needs a review of the County's population demographics.

The Board then looked at the past list of goals.

Mr. Elliott addressed how many of the past year's goals the County has they met.

Commissioner Garris said those goals are good but they are a moving target. They need to continually strive to improve those areas. Commissioner Ward said the goals should be worded differently and some more need to be added. She said they should address the County's role in recreation and facilities. The goals need to be broader. Commissioner Bowen said he wants something to pinpoint.

Commissioner Ward suggested they keep the existing goals and consider adding whole new goals. Commissioner Garris said those goals are reasonable considering the objectives and this is a continually improving process.

Commissioner Hammond said they have accomplished a lot of these goals. Some are held up because of legislation.

Vice Chairman Owens said the goals and visions should not change but they should continue to work on them. The priorities probably won't change much over time. The end result is to provide services.

Chairman James said they need to have on their list the change in policies.

A short break was held at this time.

Chairman James reconvened the meeting at 4:30pm.

Staff went through the goals and tried to categorize the goals.

1. Education, Building on positive relationship with Board of Education
2. Communications and Safety
3. Jail –Enlargement, Facilities & buildings
4. Recruitment of industry – step it up
5. Recreation

The Board decided to keep these goals and add some additional goals.

Add goals:

Recruitment of industry for economic development

Commissioner Bowen questioned the influence of the Board on recruitment of industry.

Commissioners commented that this Board has to be behind with \$1 million per year going into industry incentives and that they must work with the State on bringing in industry.

Commissioner Ward proposed a goal under efficiencies to list balanced budget, cost savings, etc.

Commissioner Hammond questioned the role of the Pitt-Greenville Chamber of Commerce. It was suggested that it could be a part of economic development.

Commissioner Ward suggested economic development as #5 and efficiencies be #6 in priorities. Commissioner Minges said he wanted to see efficiencies as #1. Dr. Sappenfield asked if there were any other goals that needed to be added.

Commissioner Bowen suggested working with the Department of Transportation as a goal because it impacts schools and roads. Commissioner Ward suggested it could fall under #2 for schools. Commissioner Bowen said Lenoir and Craven counties have better roads than Pitt County. Commissioner Coulson said Pitt County needs infrastructure such as roads for economic development. Infrastructure, countywide would spur growth in this County. Growth could be encouraged through countywide zoning and planned growth areas. This would help with placing countywide sewer and water. Commissioner Coulson spoke about what is happening in Raleigh and that they are looking at privatizing Social Services. This would effect the County's facility needs if they privatize Social Services.

Mr. Elliott said 75% of the County's budget is mandated by the State. He said that trying to plan for the long range is hard because so many of the things counties do are mandated.

Commissioner Coulson said he has a problem with the way the School Board is spending their money. If you want growth you've got to have good education and training. Chairman James spoke about the new law concerning No Child Left Behind. Commissioner Coulson said the County Schools programs can choose to opt out of the No Child Left Behind program because the local schools will not be able to fund it. Chairman James said the parents can send their kids to other schools if that school does not meet the parents standards. It will also effect transportation costs for schools. There is also talk of privatizing transportation services.

Commissioner Royal said services are being privatized, schools and jails and this is the move of the country. We need a plan to address these changes. Short range and long range objectives may need to be spelled out.

Chairman James said you can have the plans and the money but if you don't have the cooperation of the citizens and the towns you cannot do anything. He said there is \$110 million for Pitt County to put the Southwest Bypass in but it is just sitting there. If the County does not get moving with it, the County will lose that funding. The Southwest Bypass will help Pitt County have the growth that's needed. Commissioner Bowen spoke about needing a transportation committee as a special group that would meet with the Pitt County legislators to promote the County. Mr. Elliott said some communities use lobbyist.

Commissioner Minges suggested having infrastructure as a separate goal. Infrastructure such as water, sewer, fiber optics, and transportation are needed. Infrastructure as a subheading under economic development would be appropriate. Commissioner Minges and Chairman James supported infrastructure as a separate heading. Commissioner Bowen asked about the reason behind infrastructure as a goal. Commissioner Coulson said the County could take a lead role in promoting infrastructure. They reviewed projects where the County has partnered to help build infrastructure. Commissioner Hammond said if the County does not provide for these needs somebody private will do it.

Mr. Elliott suggested that staff could work to compile this list in order and bring it back to the Board as a composite list.

Commissioner Ward said someone suggested moving efficiencies to #1 but economic development does not need to be at the bottom. Commissioner Hammond asked for more specific information for what is meant by efficiencies. Mr. Elliott said all those things that are budget related could be related to efficiencies.

Commissioner Garris said Education has always been #1 and most of the budget (ad valorem tax dollars) goes to #1. He suggested that efficiencies be #2 and schools/education be #1. Commissioner Royal said efficiencies should cover every area. Dr. Sappenfield said that they could use Efficiency statement to cover everything. Vice Chairman Owens said efficiency is something that is always a priority and ongoing.

Commissioner Minges said he does not want to micromanage but does not want this to fall through the cracks. He spoke of purchasing agreements to be reconsidered, look at the need for why there are two print shops (schools and county), and said partnerships could increase efficiencies. He said the Board should be able to tell the public that they have looked at everything.

The goals were listed as follows:

1. Education
2. Safety
3. Health and Welfare of citizens
4. Facility and Space Needs
5. Economic Development
6. Infrastructure

Commissioner Coulson asked if what the County is giving recreation is adequate. Commissioner Coulson said the City gives recreation services to the County but county citizens pay double for the services. He suggested the County request the City provide those services at a smaller amount rather than double the costs. Chairman James said Ayden and Winterville are already doing this for the County. Mr. Elliott suggested that economic development should be moved up.

Commissioner Garris said switch 4 and 5 and the list was revised as follows:

1. Education
2. Safety
3. Facility and Space Needs
4. Health and Welfare of citizens
5. Economic Development
6. Infrastructure

Long Range Capital Issues

Mr. Elliott spoke about a letter from Dr. Priddy asking if they should order mobile units or if the Board will support the balance of the first phase of funds in the amount of \$23 million for construction. Commissioner Minges asked if they had to know right now if they need to order mobile units. Commissioner Minges asked if he was assuming they

would need the mobile units? Chairman James said he did not believe the Board can answer this question until the Board looks further at the next year's budget.

Mr. Elliott said Dr. Priddy's letter asks if the Board would be willing to fund another COPS this year or go for a referendum. Commissioner Coulson said the Board of Education's message to him was that they have mixed up priorities. Commissioner Hammond said he did not appreciate them painting a bleak financial picture when this Board is trying to figure out what the financial situation is from revaluation. Vice Chairman Owens said this is the Superintendent trying to plan for the future. Commissioner Coulson said he does not want to spend the \$32 million but it can not be caught up in one year. Mr. Elliott suggested that this Board needs to tell him what their leanings are so he will know how to move forward. Commissioner Coulson said the cost of a trailer is higher than a classroom because they do not last long term. Commissioner Garris stated his doubts about this Board supporting COPS with everything else that is going to hit the citizens. He said it would be a waste of time to have a bond referendum. Commissioner Ward said when this Board heard the request, this Board said they would revisit this request. Commissioner Hammond said a bond referendum is not going to pass at this time. He said piece milling COPS is not the way it should be done.

Commissioner Bowen said he did not believe they should do a COPS issue this year but would support a bond referendum. He said it was too early to tell them anything. Mr. Elliott said it is too early in the budget sessions to decide on this matter.

Mr. Phil Dickerson reported on the jail utilization study. Mr. Elliott said they have been paying Brennon and Associates for this work on the Detention Center. They took into consideration electronic house arrest which may help some. Video visitation would eliminate some problems. He said they looked at ways to get people out but did not see a lot of opportunity to move people. Mr. Dickerson said they need additional bed space of about 200 right now and 600 additional beds for future needs. He provided a drawing that could be done over a 20-year period. Commissioner Mingos asked about hot bunking. Mr. Dickerson said he looked into it but it would not work in this center because there is no holding unit where the inmates can be held during transition. Chairman James asked about the child support inmates. He said they get put in jail and then you expect them to pay child support. Mr. Dickerson said some of them are sent to weekend jail. Commissioner Bowen asked how Pitt County compares to other counties.

Mr. Dickerson said they added 100 federal beds in the past which is taxing the laundry, food services, and other functions are being strained. They need 200 beds right now. There are days when there are 500 people in the jail. The Federal Government appears to be willing to work with them on increasing the beds. He said they are seeking concrete information from the Federal Government. The more beds, the cheaper the construction will be. The consultant will report to the Board at a future meeting. Mr. Dickerson gave examples of the different jails that he had visited. He said that the direct supervision does work. He asked the Board for a consensus to go ahead and investigate plans for the future. Commissioner Bowen said he wants to see how Pitt County compares to other counties. Mr. Dickerson said they would not lose any jobs. Commissioner Garris asked what the assumptions are that are made for the 200 beds getting ready to be built. Chairman James asked Mr. Dickerson if the County could possibly work out the same deal with the Federal Government as the last time. Mr. Dickerson said the consultant will come back and make a formal presentation to the Board.

Mr. Dickerson said that staff was evaluating whether to build a Social Services building or utilize space in the Mental Health building for the social services program. Commissioner Hammond asked if that would bring all of Social Services into one space. Mr. Dickerson said it would put the staff in one space. Mr. Elliott explained the scenarios that have been looked into for the space needs.

Mr. Elliott said he provided the Board with a “wish list” from the departments for the capital improvement plan. He explained the requested needs and the proposed needs.

Chairman James called for a recess so the Board and staff could eat dinner.

Chairman James called the meeting back to order.

Mr. Elliott reviewed the current process for funding nonprofit and outside agencies. He recommended notifying the agencies soon of this new process that was being offered to the Board.

Mr. Elliott said that there was \$650,000 funded for Affiliate and Non-Affiliate agency requests this year. Affiliates are agencies such as the Council on Aging and libraries. Non-affiliates received approximately \$100,000 funding in 2003-2004. Mr. Elliott presented a plan for how to evaluate proposals for funding from these requests. He said they recommend appointment of a review team. If the funding stays at \$100,000 there will be little room for new agencies to apply for funding. He recommends the \$100,000 funding level. He reviewed the recommended decision process for funding affiliate and non-affiliate agencies. He recommended a maximum of three years funding unless it is a sustaining grant at a declining amount from 100% first year, 75% second year, 50% third year and continually decreasing in order to reduce dependency on county funding and the expectation that it will continue funding indefinitely. He also recommended a minimum amount of \$500 and maximum amount \$7,500 to allow room for new applicants. There would be an agreement made with the County on how they would use the funds.

He said the next steps are to get started on this process since they are starting the budget process. He said it is a small portion of the \$180 million budget but a lot of time is spent on this process.

Next Steps:

- Approve use of staff developed application
- Set process in motion for FY 04-05 – begin soliciting applications, stating goals, limits and terms (February)
- Develop review committee – bring to Board in March for confirmation
- Include committee recommendations in FY 04-05 budget submitted to Board
- Adopt budget, notify successful applicants, execute contracts, advance funding

He said the non-profits should also be held accountable for how they spend their funds. Commissioner Bowen said he saw this proposed at a North Carolina Association of County Commissioners meeting. He liked this proposal and wanted to appoint the committee and let them deal with the agencies. Commissioner Ward said she thought the committee should be made up of citizens and some staff. Commissioner Ward suggested the application be scaled down because it appears long and complicated. Commissioner Hammond asked what was wrong with the system that is being used now? Mr. Elliott said commissioners have requested an improved system for processing applications.

Ms. Melonie Bryan stated that if the County changed the Sales Tax Distribution method to an ad valorem distribution, it could generate \$1,527,252.16 for the County. She also provided the impact to the individual municipalities.

Commissioner Coulson said as long as the towns are doing what they are doing then he would support the change to ad valorem. However, if they made their services more available to the County residents then he might reconsider this proposal. Commissioner Minges said the tremendous impact to the Village of Simpson would make them have to raise their tax by 20 cents. He could not support this proposal.

Demographic overview presented by Mr. Elliott.

The County has doubled in population from 1970 than 2000. This effects the County's services and projections. Chairman James noted that the income for one cent of tax rate and how much lower amount it generates in Pitt County compared to comparable counties.

Demographic Information on Pitt County

● Population	137,901	(7/02)	
● Per Capita Income 2001	\$24,854		
– State Average			\$23,520
● Per Capita Valuation	\$49,601		
– State Average			\$60,112
● Tax Rate	\$0.70	(base)	
– State Average			\$0.6696

Source: NCACC 03-04 Budget & Tax Survey

Mr. Elliott reviewed the overall budget process. He said the Department Heads have been trained on how to do performance measurements and asked them to justify their budget requests. Commissioner Hammond asked where the savings are in this process. Commissioner Coulson said this process can show cost avoidance.

Budget Drivers

- 1) Performance Measurement Enhancements
- 2) Efficiency/Effectiveness Initiatives
- 3) Effect of Revaluation 2004
- 4) Potential Insurance Changes
- 5) New / Expanded Services i.e. Animal Control
- 6) Education Compact - Year 5
- 7) Capital Projects
- 8) Acceptable Fund Balance Level
- 9) Uncontrollable Costs
- 10) Others?
 - Partnerships
 - Tax Collections
 - 911
 - Animal Control
 - GIS
 - CDBG

Other possibilities

Recreational opportunities
Print shop Collaboration
Joint Banking Services
Purchase of Gasoline

Quality Council has been directed to develop an Assessment Team to focus on Internal Efficiency.

Other considerations for budget:

Impact of Revaluation 2004
Comprehensive RFP on insurance will be done.
Hospitalization Fund
Workers Compensation
Property, General and Automobile Liability Policies

Commissioner Minges asked if they had looked at group long term disability insurance. Mr. Elliott said they had not due to the increased expense. Mr. Elliott said Workers Compensation usually makes a settlement with employees when they are disabled due to a work-related injury.

Other Budget Drivers

Animal Control Ordinance
Education Compact – Year 5 , \$1.9 million
Capital projects
Acceptable Level of Fund Balance

Commissioner Minges asked if other departments have a fund balance. Ms. Bryan said some of them have fund balance but they are designated funds.

Mr. Elliott asked if there was anything the Board members would like researched or reported back to the Board. Commissioner Ward said she would like to see where the

budget would be and if they get the same thing they are getting without taking anything out of fund balance.

Commissioner Bowen asked to see a revenue neutral budget. Ms. Bryan said the Board has to consider the \$8 million that was taken out of the fund balance and that it has to be made up with general fund. Commissioner Garris tried to explain what would be the revenue neutral in light of collecting the same amount of tax base. He said 32% of 70 cent off of that would be revenue neutral. Ms. Bryan said the revenue means you have to cut \$8 million off the budget since fund balance was used to fund recurring costs in the budget. Commissioner Bowen said he wants to keep \$20 million in the bank in fund balance and a 68 cent tax rate and wanted to see a budget that met this criteria. Ms. Bryan said \$45.5 million plus \$8 million of recurring costs gives \$53.5 million to keep the budget at status quo with the funds that have gone to schools.

Chairman James spoke about building up the fund balance. He said they are trying to work out some problems with revaluation.

Commissioner Minges thanked Dr. George Sappenfield for being the facilitator for tonight's meeting stating he did a good job.

Motion:

Commissioner Hammond motioned to adjourn the meeting at 8:15pm.

Commissioner Royal seconded the motion and the Board voted unanimously to adjourn the meeting.

Respectfully submitted,

Susan J. Banks, CMC
Clerk to the Board