

PITT COUNTY BOARD OF COMMISSIONERS
GREENVILLE, NORTH CAROLINA
JUNE 1, 2004 MINUTES

The Pitt County Board of Commissioners met on Tuesday, June 1, 2004, at 8:30 AM in the Commissioners' Auditorium, Pitt County Office Building, 1717 W. 5th Street, Greenville, North Carolina.

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 (arrived later)
Eugene James, Chairman

Commissioners Absent:

Randy Royal, Commissioner

Staff present:

Scott Elliott, County Manager
Susan Banks, Clerk to the Board
Joanne Burgdorff, County Attorney
Phil Dickerson, Deputy County Manager/Public Services
Melonie Bryan, Deputy County Manager/Financial Services
John Bulow, Deputy County Manager/Human Services
Mike Taylor, MIS Director
Florida Hardy, Human Resources Director

Call to Order

Chairman James called the meeting to order. He welcomed everyone present and the viewing audience.

Invocation and Pledge

Meeting Notes

The invocation was offered by Commissioner Minges.
The Pledge of Allegiance was led by Commissioner Bowen.

Approval of Agenda

Staff Recommendation

Motion to approve the agenda.

Motion:

Motion to approve the agenda.

Motion made by Commissioner Jimmy Garris.

Motion seconded by Commissioner Tom Coulson.

Motion Passed Unanimously.

Items for Discussion

Budget Discussion and Follow-Up

Meeting Notes

Mr. Elliott stated that the public hearing is scheduled for June 8th at 7pm. He would like the Board to discuss the items today that are of their concern so he will know how to revise his final recommended budget for presentation on June 7th.

Commissioner Owens said that when the Manager came to Pitt County this Board was already in a budget plight. Staff has brought figures together and brought a budget to the Board that is financially feasible from his standpoint. He said there has been some indication that this Board has not come forth with taxes as needed but this Board has brought about tax increases such as fire and rescue, construction for schools and he said the projection is that the increase from revaluation will be a 9 to 12 cents tax increase. He spoke to what the Manager has included in the budget that he feels needs to be delayed: Jail construction renovation and animal control. He stated he supported relocating social services staff to the mental health building.

Commissioner Minges said he agreed on Mental Health building renovation for Social Services and that the County needs to honor the contract with the federal government on housing federal inmates. The Sheriff is looking for diversions. He said he was not sure that selling the facility was the right thing to do. He supported including the \$200,000 for the Animal Shelter and the \$1.4 million for the Humber Building at Pitt Community College in the budget. He supported the 70 cents tax rate for this budget. Commissioner Minges spoke about the Education Compact funding and the requested amount of \$1.9 million versus the \$683,199 as recommended funding by the County Manager. He said the compact outlines what the Board of Education is supposed to do and the County will provide funds if they meet their goals. However he stated that the goals are set for achievements that the Schools should be doing anyway. The compact says the County will strive to provide additional funding when the goals are met. He said the agreement says the County will "strive to" provide the funds but this Board needs to decide if they want to pull back on some of those funds. He said he agrees with the Manager's proposed funding for the Schools. He commended the County Manager and staff on how well laid out the projects and planning has been done forward to 2008-09 fiscal years.

Commissioner Bowen noted that another letter has been received from the Schools demanding more money. He said where in the letter does it mention the Schools funding being improved to being in the top one-third in the State. He proposed, that since we do not know at this time where they rank and the information will not be available until the fall, the Board should take the \$683,199 funds and place them in the contingency fund. He also recommended that instead of a cost of living raise, the employees receive a bonus so it does not lock the funding into the next year. He also commended the Manager on the good job he did on the budget proposal. He spoke about lowering the proposed tax rate of 1.5 cents because a lot of people can't afford the 70 cents being proposed for this year.

Commissioner Coulson spoke about the land transfer tax. He believes that the land transfer tax or impact fees would have a major impact on this community. He asked to allow Tom Hales the opportunity to address the Board concerning the impact fees and land transfer tax.

Motion:

Motion to allow Mr. Tom Hales to speak to the Board this morning concerning land transfer tax and impact fees.

Motion made by Commissioner Tom Coulson.

Motion seconded by Commissioner John Minges.

Motion Passed Unanimously.

Mr. Hales stated he is a local real estate agent and president of an association for realtors. He stated that there are a lot of taxes on the table. He stated that he heard Lieutenant Governor Beverly Perdue say that the only thing driving North Carolina's economy forward is the transfer of real estate. He said that potential buyers will be knocked out of the market with new fees.

Commissioner Hammond arrived at this time.

Mr. Hales stated that the Board of County Commissioners in Durham County instituted impact fees. He said these fees are not just against land owners but it affects land values, builders, contractors, brick layers and others. He said they should get enough funds from revaluation. He said he has been contacted by over 100 people wanting to know the value of their properties since revaluation. He stated he believed a lot of people that are grossly overvalued. He did not believe land transfer taxes were the way to go. He said he recognized the need more schools but does not know the answer.

Mr. Elliott said that the land transfer tax was not a recommended fee in his proposal but was provided as information only for the Board's consideration. He stated that there had only been one appeal of property value to the Board of Equalization and Review which says a lot about the process. There have been around 3000 appeals at the staff level, but only one has gone on to the Board of Equalization and Review.

Commissioner Coulson said that the 3000 cases of appeals to the Tax Office speaks to what Tom Hales has just said. He said he did not believe that the fee of \$250 per transaction on land transfers would stay the same. This is an area where taxes would encroach in. Commissioner Hammond said people would not go to Board of E&R but they will tell their individual commissioner. The citizens of Greenville who will get hit hard with these tax increases from the City and the County have been speaking to their individual commissioners. He said the county still needs more money to cover the growth to provide the services for the County.

Commissioner Ward spoke concerning funding of the Educational Compact. One of the purposes of the Board of Commissioners for having the Education Compact was for the Schools to reach the top one-third of school systems in the State. She said that the County had not previously funded the students locally as well as we should. She said the Board wanted to reach, at least, the top one-third of the school systems in the State and needed to know how much money it would take to reach that goal. Pitt County progressed very rapidly and reached the top one-third by the third year of the compact and continued to fully fund the compact last year, which was the fourth year. Commissioner Ward stated that she believes the Pitt County School System is now in at least the top 25% of 117 schools systems in the State and may be higher this year. She said she was in favor of the continuation of the compact because it helped the Boards develop a good relationship. She said she agreed with Commissioner Bowen and Minges. She said the compact had goals that the schools had to reach each year and they have grown in some goals but then have not accomplished some goals. We are growing and still supporting them. She said the County should not have exceeded its recommended budget. She said the County is being generous with the \$683,199 for the Schools. She supported moving Social Services employees into the Mental Health Building with the County's own Engineering Department working on the project. She supported leaving \$1.4 million for Pitt Community College for the Humber Building and \$200,000 for Animal Shelter. These are not recurring expenses. She stated her support of the 70 cents tax rate. She said both cannot be done without raising the present tax rate. Commissioner Ward said they have raised taxes for different reasons in the past on what the Board saw was needed. Commissioner Ward asked how many appeals the County usually receives during this time. Mr. Elliott said the State average is 5-7%.

Mr. James asked how much the State or Federal Government would contribute to the renovation of the Mental Health Building. Commissioner Hammond said 57% was what the State would pay for the office space.

Mr. Elliott spoke about the federal reimbursement of space for Social Services employees. Chairman James wanted Mr. Elliott to investigate this option. Chairman James said they may need to wait on this plan to renovate the Mental Health building and that he was not in favor of the 70 cents tax rate. He said it would be too much burden for people on a fixed income with the average homeowner's values going up 30% or more from revaluation. Commissioner Garris said he has had calls about the revaluation. He spoke with a professional appraiser who said he had 30 appraisals questioned but the revaluation has been in line. Commissioner Garris said he was against impact fees because it would be against construction and industry.

Commissioner Owens said he did not speak earlier to things he would like included in the budget but that he is in favor of the Pitt Community College building funds but not the funds for the Animal Shelter. He is in favor of full funding of the Education Compact in the amount of \$1.9 million. He said the Board of Education sets their goals. As long as they are striving to be the best, they cannot accomplish it without the additional funds. He said if the County ceases to fund that, it would be detrimental to their function. He said the money that funded the compact was from the \$30 million from the hospital transfer and he would like to see the remainder of those funds continued to be used for funding the Education Compact.

Commissioner Hammond spoke about debt service and capital improvements to school buildings. He said the Board had had enough meetings and they need to vote and do what is right. He said they need to keep up with the growth in Pitt County. Commissioner Hammond said it was his wish to move to build brand new DSS building and use that space to move some other staff into the building. He said he is ready to vote and would like to be excused once he votes. Chairman James said what he was suggesting would break Pitt County right now. He said we are paying \$10 million now and that would double the debt service.

Commissioner Bowen said some Board members say they want to be number one in the State but can Pitt County afford it? He said the County needs to be the best it can be with what the County can afford. Four years ago the decision was made as part of the Education Compact, for Pitt County to strive to be in the top one-third of the counties in the State. Commissioner Bowen said Pitt County cannot afford to be number one in the State in funding schools. He said Pitt County cannot keep up with the bigger metropolitan counties.

Commissioner Coulson said there is no guarantee that the federal government will continue the funding for space for social services.

Commissioner Minges suggested the Board take each item on the list and help the Manager by making motions or forming a consensus on the items. Mr. Elliott said the Board has his preliminary budget message. He will present his final budget message on June 7th and the public hearing will be on June 8th. He will make his best recommendation in light of the needs of the County. Commissioner Hammond said the Manager is not confused and does not need the Board to go over this item by item.

Commissioner Garris said he was concerned about the affordability of the \$1.9 million of the Education Compact. He said the Manager proposed \$683,199 for this year. He said this raises the question of whether the Board will fund an Education Compact II. He said if the Board does not start making some reduction in those dollars, there will not be any funding for the Board to choose from.

Commissioner Minges said he thought there was a consensus on the Social Services staff moving into the Mental Health building with some renovations being made to the building.

There was no opposition stated on this item. Mr. Elliott pointed out that this particular project does not effect the proposed tax rate. Commissioner Mingos also stated that the Detention Center could be postponed another year since the Sheriff is trying to make other arrangements to help defer some of the population such as the house arrest program.

Commissioner Mingos stated he believed the majority of the Board was in support of funding the Pitt Community College Humber Building Renovations for \$1.4 million in 04-05 and remainder in 05-06 which are matching funds for construction.

Commissioner Mingos said there does not appear to be a consensus on the Animal Shelter and that this is still an issue. People want to have the nuisance ordinance enacted but expansion and renovation has to be done prior to enacting the nuisance ordinance. The \$200,000 for the Animal Shelter would come from the 2 cents for capital that was enacted last year for capital outlay. Commissioner Garris suggested that the Friends of the Shelter said they could raise funds for the shelter so the County could reduce the allocation by \$100,000. Commissioner Ward said the Shelter was already overcrowded before the renovation and this Board has a responsibility for animal control. Commissioner Coulson proposed the \$200,000 stay in the budget but take it from fund balance. These are one time monies and this would be a proper use of fund balance as well as \$1.4 million for PCC (Humber Building).

Commissioner Coulson said the two cents tax increase was intended for education construction projects and if it is not going to be for education then he would like to motion to repeal the two cents tax.

Commissioner Hammond spoke about visiting the animal shelters and other systems around the State.

Commissioner Mingos asked Mr. Phil Dickerson to speak to the \$200,000 for the Animal Shelter and how the shelter would be effected with the implementation of the nuisance ordinance. Mr. Dickerson said the funds would add additional runs to the Shelter and 40 kennels. This would provide additional room for cats. They plan to do the construction work with County staff so the expense will be minimal. Commissioner Mingos said he has received calls about favoritism towards dogs. Mr. Dickerson explained why they get so many cats but a lot of them are wild. Mr. Dickerson said it is a public protection issue.

Commissioner Hammond noted that Commissioner Owens raised the motion for the two cents tax increase for capital construction for education and having seen the Humber Building and the North Pitt High School this week, there is definitely a need for improvements with those funds. Commissioner Bowen asked if a dollar value had ever been determined for the volunteers time at the Animal Shelter. He offered his support for the renovation.

Commissioner Ward suggested the Board consider using \$200,000 from fund balance for the Animal Shelter and use the two cents tax for capital to fund the \$1.4 million for the Humber Building at Pitt Community College, which is a matching fund.

Motion:

Motion to use \$200,000 for the Animal Shelter renovation from fund balance and use the two cents tax for capital improvements to fund the construction project of the Humber Building at Pitt Community College in Fiscal Year 2004-05.

Motion made by Commissioner Beth Ward.

Motion seconded by Commissioner David Hammond.

Commissioner Owens said he read the book on the Commissioners' responsibilities to the County and he said he feels more responsibility to the children of this County than for the cats and dogs.

Substitute Motion:

Motion to include \$1.4 million for the Humber Building construction at Pitt Community College.

Motion made by Vice Chairman Mark Owens, Jr.

Motion seconded by Chairman Eugene James.

Commissioner Coulson said he thinks there are people out there that will help with the Animal Shelter and the Board will see more money flow that direction. Commissioner Garris said if the County funds the \$200,000 and group that is interested in the Shelter also raise funds, what will the County do with the additional funds?

Commissioner Minges said there has been discussion about the \$683,199 for the schools. He suggested this be put in the contingency to see if they schools are still in the top one third in State once they are ranked for this year. There was some discussion about fully funding the schools at \$1.9 million for compact.

Vote on Substitute Motion:

Jimmy Garris	Yes
John Minges	No
Mark Owens, Jr.	Yes
Beth Ward	No
Glenn Bowen	No
Tom Coulson	No
David Hammond	No
Eugene James	Yes

Total Yes Votes: 3

Total No Votes: 5

Motion Failed.

Vote Record on original motion by Commissioner Ward to use \$200,000 for the Animal Shelter renovation from fund balance and use the two cents tax for capital improvements to fund the construction project of the Humber Building at Pitt Community College in Fiscal Year 2004-05:

John Minges	Yes
Jimmy Garris	No
Mark Owens, Jr.	No
Beth Ward	Yes
Glenn Bowen	Yes
Tom Coulson	Yes
David Hammond	Yes
Eugene James	No

Total Yes Votes: 5

Total No Votes: 3

Motion Passed.

Motion:

Motion to take the \$683,199 and put in these funds in the contingency funds and see where the Pitt County School system ranks in the State among schools systems and then determine if they want to continue funding the Education Compact.

Motion made by Commissioner John Minges.

Motion seconded by Commissioner Tom Coulson.

Commissioner Ward said the top one-third in the State goal was the County goal for per pupil funding. Commissioner Owens spoke against the motion, because if the schools can accomplish this without the funds then they do not need these funds. Commissioner Ward said the purpose here is to give the Manager directions on revising the budget.

Mr. Elliott said the Schools funds would still have to be accounted for so the tax rate would still be at \$.70 cents.

Commissioner Minges spoke about the County's budget of \$180 million and stated that the Schools budget is \$160 million. He noted that 20% of County's budget goes to the Schools. This year \$26 million out of the County's budget goes to the Schools but once the Schools receive the \$683,199 it would make their budget \$27.0 million. Mr. Elliott noted that 60% of the ad valorem taxes goes to the Schools. Mr. Elliott said if these funds for the Education Compact come from the original hospital funds that are now in the County's fund balance, the County will be right where it is this year. He said the Board would have to raise taxes to fund the full \$1.9 million as well as COPS package. Commissioner Hammond said what the Manager is saying was not clear. Commissioner Bowen said it was discussed by this Board previously to keep fund balance at 20%. He said he would not vote to lower fund balance.

Vote Record:

John Minges	Yes
Jimmy Garris	Yes
Mark Owens, Jr.	No
Beth Ward	No
Glenn Bowen	Yes
Tom Coulson	Yes
David Hammond	Yes
Eugene James	Yes

Total Yes Votes: 6

Total No Votes: 2

Motion Passed.

Adjourn

Staff Recommendation

Motion to adjourn at 9:44 a.m.

Motion:

Motion to adjourn at 9:44 a.m.

Motion made by Commissioner John Minges.

Motion seconded by Commissioner David Hammond.

Motion Passed.

Respectfully Submitted,

Susan J. Banks, CMC
Clerk to the Board