

PITT COUNTY BOARD OF COMMISSIONERS
GREENVILLE, NORTH CAROLINA
DECEMBER 10, 2004 MINUTES

The Pitt County Board of Commissioners met with Pitt County's Legislative Delegation on Friday, December 10, 2004, at 12:30 PM in the upstairs room of the Beef Barn Restaurant at 401 St. Andrews Drive, Greenville, North Carolina.

Commissioners present:

Mark Owens, Jr., Chairman
Jimmy Garris, Vice Chairman
Eugene James, Commissioner
Melvin McLawhorn, Commissioner
John Minges, Commissioner
Beth Ward, Commissioner

Commissioners Absent:

Glenn Bowen, Commissioner
Tom Coulson, Commissioner
David Hammond, Commissioner

Legislators Present:

Marian McLawhorn, Representative
Edith Warren, Representative
Arthur Williams, Representative
Joe Tolson, Representative (formerly represented Pitt County)
Clark Jenkins, Senator
John Kerr, Senator

Staff present:

Scott Elliott, County Manager
JoAnne Burgdorff, County Attorney
Susan J. Banks, Clerk
Melonie Bryan, Deputy County Manager
John K. Bulow, Deputy County Manager
Phil Dickerson, Deputy County Manager
Mike Taylor, MIS Director

Call to Order

Chairman Owens called the meeting to order and welcomed everyone.

Items for Discussion

Legislative Agenda for Pitt County

Mr. Elliott thanked the legislators for coming to the luncheon. He stated the purpose of this meeting was for the Pitt County Commissioners to share their local initiatives with the local legislators prior to the General Assembly coming into session.

Ms. JoAnne Burgdorff presented the list of local bills and the statewide initiatives that the Board of Commissioners had adopted.

**2005
STATEWIDE LEGISLATIVE GOALS
PROPOSED BY PITT COUNTY**

PRIMARY GOALS:

1) Alternate Revenue Sources:

SALES TAX: Allow the enactment of an additional 1% sales tax with dedicated expenditures subject to a citizen referendum (earmarked for/by purpose)

LAND TRANSFER TAX: Allow counties to enact a Land Transfer Tax without the current required citizen referendum.

IMPACT FEES: Allow counties the option to enact Impact Fees on new construction

- 2) School Funding:** Support: a Statewide School Construction Bond Referendum (K-12); increase the level of State Funding necessary to define and support an adequate basic education in all local school systems; fully fund the low-wealth school fund.
- 3) Medicaid Funding:** Support the phasing out the county share of Medicaid costs over four years and to cover the cost of the county's share by phasing out reimbursements to counties over four years.
- 4) Expanded use of 911 funds:**
Strongly support legislation to increase flexibility in the use of fees generated for the Emergency Telephone System Fund (911) in order to expand the ability of counties to use these funds for purchase or lease of any and all communication equipment associated with receiving, processing or dispatching emergency calls for law enforcement, fire, medical, rescue or other public safety services.
- 5) Video Poker Machines:** Support the total ban on video poker machines.
- 6) Tax Moving Permit for Mobile Homes:** Require a tax moving permit, showing property taxes paid, before hookups can be made at new location for water/sewer or electrical when mobile home is moved from one location to another in county or to another county.
- 7) ATV Enforcement of Trespassing on Private property:** The use of ATV's being ridden on private property without permission of the owner of the property is a serious problem for many counties. Seek legislation that would allow law enforcement to seize vehicle when caught in violation of trespass with possible forfeiture at court proceedings.
- 8) Sale of Property Tax Liens:** Allow counties to sell property tax liens. This will enhance the ability of tax collectors to collect delinquent property taxes.

**2005 LOCAL BILLS
PROPOSED BY PITT COUNTY**

1) LOCAL OPTION SALES TAX: (Our Primary Goal)

Requesting a Local Bill to enact an additional 1 per cent sales tax, excluding food, designated for school capital expenditures.

2) EXPANDED USE OF 911 FUNDS:

Although this legislation is proposed to be taken statewide, we ask for a Local Bill to be introduced in support of this needed legislation.

Strongly support legislation to increase flexibility in the use of fees generated for the Emergency Telephone System Fund (911) in order to expand the ability of counties to use these funds for purchase or lease of any and all communication equipment associated with receiving, processing or dispatching emergency calls for law enforcement, fire, medical, rescue or other public safety services.

Marian McLawhorn has championed this legislation for us for several years and she has agreed to continue to do so. It is our hope that it will continue to be supported until finally passed by the General Assembly in the form of statewide legislation.

3) Hunting: (as attempted in the past)

Amend the Pitt County Hunting local act passed in 2002 to remove the following language referring to dogs from section 5 of the local act: "or to allow them to run on". Copy of the Local Act is attached with the language highlighted.

In addition:

Pitt County and the City of Greenville are discussing the possibility of merging the public transportation services provided by Greenville Area Transit (GREAT) and Pitt Area Transit System (PATS). The City operates GREAT which provides fixed route service. Pitt Area Transit System, Inc. operates PATS which provides transportation on demand for Human Service Agencies, such as the Department of Social Services. The suggested merger was a recommendation of the Regional Transit Feasibility Study. The plan involves the creation of an authority to operate these transportation services. In the event existing legislation does not meet our needs in setting up this authority, we may seek a local act creating the authority similar to the local act which created the Pitt County-City of Greenville Airport Authority.

The Commissioners expressed that of all their requests for local support, the approval of the one percent sales tax was by far the most important. The County needs the funds generated from the sales tax for school capital funds including Pitt County Schools and Pitt Community College construction projects. The Board of Commissioners adopted the local legislative goals in October 2004. These goals had the land transfer tax listed on it but the discussion indicated that the land transfer tax was no longer a County legislative goal. The County Attorney explained what the legislation will mean to counties.

There was also discussion concerning the expanded use of the 911 funds.

Commissioner Ward stated that the County needs to have the one percent sales tax approved early in the session so the Board of Commissioners would know if they needed to move forward on a school bond referendum. Mr. Elliott stated that the Board's focus is on a new revenue stream for capital education related needs. He stated that they are seeking a resolution of support from the municipalities as well on the one percent sales tax dedicated for school construction.

Mr. Elliott presented a fact and justification sheet about the need for the one percent sales tax as follows:

12-8-04

**1% "Capital/Education Dedicated" Local Option Sales Tax
for
Pitt County**

- Pitt County Board of Commissioners is requesting an act to authorize Pitt County to levy an additional one percent (1%) sales tax.
- 1% local option sales tax has been endorsed unanimously by the Pitt County Board of Commissioners.
- Revenue from sales tax would be utilized exclusively for education capital expenditures: PreK-12 and Community College.
- Would like joint sponsorship of legislation by all members of the Pitt County Legislative Delegation.
- **VOTER REFERENDUM:**
 - Pitt County Board of Commissioners would prefer this sales tax not require voter approval due to the identified needs of both the school system and the community college.
 - The Pitt County Board of Commissioners would be in agreement to the requirement of a referendum (held after enactment of legislation) if it is needed to pass this local act.
 - Early passage of legislation would enable Pitt County to properly position itself for a 11-8-05 referendum.
- **SUNSET CLAUSE:**
 - Pitt County Board of Commissioners would prefer this to be a permanent sales tax with no sunset clause due to the continued growth and already documented long term needs of both the Board of Education and Pitt Community College.
 - If a sunset clause is needed to pass this proposal, the Pitt County Board of Commissioners would suggest:
 - 15 year period
 - 8 year period with option for an additional 8 year renewal
 - A sunset clause would only allow Pitt County to structure debt to revenue stream and handle the immediate identified needs. This allows little flexibility for future needs.
- **EDUCATION RELATED CAPITAL NEEDS:**
 - Pitt County Schools LREP (Long Range Education Plan) originally documented \$217 million in education related capital needs. This plan

covers the next 12-15 years. (If paid for by local ad valorem taxes, would require a 18-20 cent tax increase for debt service.)

- Pitt Community College has recently identified \$70 million in education related capital needs. This plan covers current and anticipated needs over the next 10-15 years. (If paid for by local ad valorem taxes, would require a 7 cent tax increase for debt service.)

- **REVENUE STREAM:**

- Based on current data, a 1% Local option sales tax would yield an estimated \$15 million per year in Pitt County that would be dedicated to debt retirement on capital projects that benefit all citizens in the County - both municipalities and unincorporated areas. For this reason, municipal allocation is not recommended.

- **WHY NOT JUST RAISE AD VALOREM TAXES LOCALLY?**

- Sales tax creates "tax payer equity" - all citizens contribute, not just property owners.
- Sales tax creates "tax base equity" - Pitt County's base is 70% residential and 30% commercial/industrial as compared to "peer counties" which typically have a 50/50 split. With a higher proportion of single family parcels - burden of property tax falls on the homeowner. County's largest three employees (PCMH*, ECU & PCS) do not pay property taxes
- Sales tax creates "business friendly" policy - Eastern North Carolina fights to compete with the Triad and points west of I-95 when attracting business and industry - higher property taxes will just further complicate and impede this process.
- Sales tax takes advantage of the County's "regional hub status" and our service economy - much of the "business" of Pitt County - food service and retail sales - would collect a sales tax and the high numbers of citizens we serve would be helped by the influx from our surrounding areas.
- * PCMH does make an annual payment in lieu of taxes for a portion of property taxes that would be paid if they were a taxable entity.

Senator Kerr asked if the Board has the Pitt-Greenville Chamber of Commerce's support on the request for the one percent sales tax. Mr. Elliott stated that the Chamber was in support and would be adopting a resolution indicating their support. The legislators discussed alternatives on how to present the one percent sales tax request to the Legislature in order to generate the most support. Several options were discussed but no decisions were made. Chairman Owens stated that the Board of Commissioners have made the request and would leave it up to the Local Legislators to position the request for its possible approval. Commissioner Ward asked if there was anything more that the Board could do to help put this request in a positive light such as contact others in the Legislature. Representative McLawhorn stated that local bills such as this are usually put on the end of their agenda but they would do what they could to encourage it being moved to an earlier placement on the agenda. Senator Kerr stated that he would discuss this request with the Speaker Pro-tem to see how to move it forward successfully and quickly. He stated that there is a movement for additional Medicaid funding relief for counties and this is very expensive and the State is receiving very little help from the Federal Government on Medicaid.

Commissioner Minges stated that the Pitt County Schools have \$217 million in capital requests that the Board is trying to address. He also informed the Legislators that there are other financial needs that the County has to address such as the expansion of the Detention Center.

Representative Williams stated that the Legislators need a copy of the resolution passed by the Board of Commissioners for the one percent sales tax.

More discussion was held concerning other local legislative requests such as the use of 911 funds and the running of dogs. Representative Williams said he had worked with the Wildlife Commission for four years and he would see about the language in Pitt County's local legislation. Commissioner Garris stated that the original committee came up with the wording for the local bill but the Legislature changed the wording which has caused some problems in the County.

Adjourn

The meeting was adjourned at 1:55pm.

Respectfully Submitted,

Susan J. Banks, CMC
Clerk to the Board