

**PITT COUNTY BOARD OF COMMISSIONERS
GREENVILLE, NORTH CAROLINA
MAY 17, 2005 MINUTES**

The Pitt County Board of Commissioners met on Tuesday, May 17, 2005, at 8:30 AM in the Commissioners' Auditorium, Pitt County Office Building, 1717 W. 5th Street, Greenville, North Carolina.

Commissioners present:

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

Staff present:

Scott Elliott, County Manager
JoAnne Burgdorff, County Attorney
Susan Banks, Clerk to the Board
Melonie Bryan, Deputy County Manager/Financial Services
John Bulow, Deputy County Manager/Human Services
Phil Dickerson, Deputy County Manager/Public Services
John Chaffee, Development Commission Director
Edward Garrison, DSS Director

Call to Order

Invocation and Pledge

Meeting Notes

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

Chairman Owens said this is the first day in a process of two to three day workshops with staff on the budget.

Approval of Agenda

Motion:

Motion to approve the agenda.

Motion made by Commissioner Glenn Bowen.

Motion seconded by Commissioner Eugene James.

Motion Passed Unanimously.

Items for Report

Manager's Overview

Meeting Notes

Mr. Elliott presented the board with a preliminary balanced budget. Following this presentation and the workshops staff will revise the budget per the commissioners requested changes and a revised budget will be presented on June 6th. He will take questions following the presentation.

Mr. Elliott stated that this budget total of \$193,092,838 is a reduced budget from the current year but this is due to grants.

Preliminary FY 05-06 Budget

Grand Total FY 05-06	\$193,092,838
FY 04-05 Revised	\$194,796,695*
Change	-.87%

*Charts will reflect revised budget as \$207,549,119 which includes a one-time payment to advance refund the County's 1997 COPs of \$12,752,424 that should be netted out of the revised budget to reflect more accurate picture for comparison purposes.

Preliminary FY 05-06 Budget General Fund

Original Requests	\$101,340,917
Reductions by Mgr	\$ 6,278,127
Mgr's Preliminary	\$ 95,062,790
FY 04-05 Revised	\$ 87,754,640
Change	8.33%*

*(1.57% of this is related to debt service for 2004 school COPs included for 1st time – netted the actual % change is 6.76%)

FY 05-06 Expenditure Drivers

General Fund

■ Education Funding Increases (BOE/PCC)	\$1,742,894
■ General Fund Transfers to DSS & PH	\$1,991,106
■ Fuel/Utilities/Insurance "Uncontrollables"	\$ 165,000
■ Vehicle Replacements	\$ 552,500
■ Workers Compensation Claims Funding	\$ 200,000
■ New Positions (all public safety related)	\$ 401,000
■ Cost of Living Adjustment (3% CPI)	<u>\$ 618,932</u>
Total	\$5,671,432

Revenue Review

FY 05-06 Estimated New Revenues

General Fund

■ Ad valorem taxes	\$2,219,361*
■ Sales taxes	\$1,803,077
■ Investment earnings	<u>\$ 425,000</u>
 Total New \$	 \$4,447,438

*Net of debt service coverage funded with former capital reserve levy of 2-cent that is now included in the General Fund.

Ad Valorem Tax Rate

■ Current Rate 70¢
per \$100 valuation

■ Proposed Rate 70¢

Distribution

- .6850 to General Fund
 - .0150 to Industrial Development
 - .0000 to County Capital Reserve*
- *(now included in General Fund to cover debt service)

Fund Balance

County is projected to close Fiscal Year 04-05 without using any fund balance to cover regular operating expenditures.

Conscious decisions to use fund balance for Medicaid shortfall, PCC Bond Match and other one-time projects will leave the County with an estimated fund balance at June 30, 2005 of approximately 20.59% - the threshold identified as our goal.

The proposed FY 05-06 budget does not rely on Fund Balance to cover recurring expenditures and places the burden of cost coverage on the areas that receive the benefit.

Fund Balance

In FY 05-06 Preliminary Budget, \$4,130,200 in fund balance is budgeted in the General Fund.

- \$380,000 for one time capital outlay
- \$3,720,000 as a revenue "plug" *

*This is the range we can budget and not expect to spend due to over collections and/or under spending during the fiscal year.

- \$1,011,242 in fund balance is budgeted in Public Health fund

Public Health fund balance is a part of the County's overall fund balance. It is expected that Public Health will spend-down some of this amount and that action will impact our overall %.

Proposed Fee Changes

■ Solid Waste Fund		
Nonresidential/ton	\$40	\$42
Residential/year	\$63	\$66
■ 911 Surcharge/mo	\$0.50	\$.065
■ Planning Board/meeting		
Chair	\$25	\$50
Vice Chair	\$20	\$40
Member	\$15	\$30

Expenditure Review

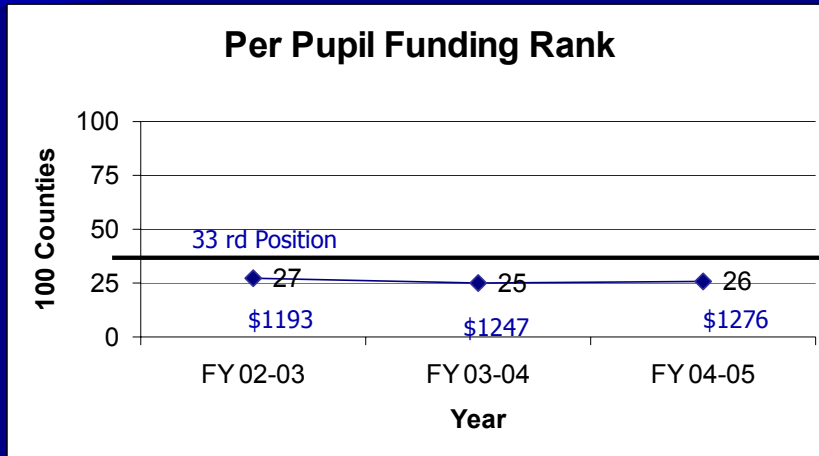
Expenditures by Fund

■ General Fund	\$ 95,062,790
■ Public Health	\$ 8,179,703
■ Social Services	\$ 31,246,169
■ Mental Health	\$ 18,246,931
■ Debt Service	\$ 12,489,499
■ Solid Waste	\$ 7,090,506
■ Health Insurance	\$ 5,637,624
■ Fire & EMS Districts	\$ 4,407,876
■ All Others	\$ <u>10,731,740</u>
Total	\$193,092,838

Education Funding

Pitt County Schools
&
Pitt Community College

Pitt County Schools



Pitt County Schools

■ Current Expense \$28,763,342

includes funds for 408 new students, opening new facilities, and uncontrollable increases in fuel/utilities

■ Category I,II,III Capital \$ 750,000

■ Debt Service Shortfall \$ 80,000

■ Capital – roofing \$ 100,000

Total Funding \$29,693,342

Pitt County Schools

Increased Funding

■ Current Expense Increase	\$ 1,402,894
■ Debt Service Shortfall	\$ 80,000
■ Capital Projects – roofing	<u>\$ 100,000</u>
Total Increased Funding	\$ 1,582,894

Pitt Community College

■ Current Expense	\$3,360,000
■ Capital Outlay	<u>\$ 75,000</u>
Total Funding	\$3,435,000

Increased Funding

■ Current Expense Increase	\$ 160,000
----------------------------	------------

Education Funding Pitt County Schools and Pitt Community College

Education is the #1 priority of the Board of Commissioners.

The FY 05-06 puts \$1,742,894 in new funding towards this priority.

40% of the new revenue in the General Fund is dedicated to support this priority.

EMS Fund

EMS Fund

- FY 04-05 Budget \$ 3,325,154
- FY 05-06 Request \$ 3,812,798
- FY 05-06 Mgr's Recommended \$ 3,356,802

- Funding Recommendation for this budget:
 - Transport Revenues \$ 940,000
 - Medicaid Settlement \$ 60,000
 - EMS Tax (5-cents) \$ 2,217,988
 - General Fund Appropriation \$ 138,814

Other Considerations

- State Budget does not include any Medicaid relief for counties (\$1.3 M)
- State Budget recommends reducing ADM Capital Funds (County/Schools use for debt service) and replacing with lottery proceeds – Will County be able to use this source to pay existing debt service? (\$1.13 M)
- Jail Project will need to be addressed in FY05-06 (\$ TBD)
- HAVA compliance may be required for elections this year and equipment will need to be purchased (\$181k)
- Pending bill in Raleigh could eliminate E911 funding which County uses to cover annual operating costs (\$542k)
- Capital Projects for Education – BOE & PCC

Mr. Elliott also noted that there is a healthy increase in revenues but the amount of growth in the revenues does fully not cover increased expenses. He stated that in terms of the state budget, there is no prediction for relief from Medicaid expenses. He stated they had to increase \$1.3 million in county budget for Medicaid which could be used for other areas. He said he hopes the General Assembly will give counties some relief for Medicaid. He informed the board that the state recommends a reduction in ADM funds and are recommending lottery funds replace this source. It is for existing debt service on school capital facility.

Mr. Elliott stated that the jail project will be brought to the board in June, 2005. There were no findings in the most recent report. He stated that the Board of Elections budget may be effected by the Health America Vote Act which requires all voting places to provide handicapped accessible voting. Mr. Elliott stated there is a bill pending at this time concerning the E911 funding so that the

county can only use a certain amount for operating costs. He said it may have been presumptuous of them to send a response to the General Assembly on this issue.

On capital projects, Mr. Elliott said that assuming the county gets the one percent sales tax for school construction, it will address the projected construction needs. It would provide a dedicated revenue stream for capital debt service but the county would still have to come up with additional operating costs for new facilities as they are opened.

Commissioner McLawhorn expressed concern about the health insurance change from 100% to 90% coverage in hospitalization. He thought the employees would prefer to keep the 100%. Commissioner Ward spoke about the non profit organizations. She spoke about the 4 prong approach for funding the EMS budget as presented by the Manager.

Commissioner James said that his taxes will be 75 cents not 70 cents because of EMS. He said some of the fees being increased over 30% from last year. He said expenditures are 6.46% increase over revenues. The county should have an additional \$4.5 million in revenues to spend this year. He asked why the Tax office was only collecting 95.5% of the taxes and he thought it was at 97%. Ms. Bryan said this is an average for collections. She said they have gone from 1500 per month to 15,000 per month in garnishments.

Commissioner James asked about the industrial development funds. Mr. Elliott said the Development Commission gets 1.5 cents of the tax rate. The overall tax base has grown from \$8.2 billion to \$8.6 million in growth.

Commissioner James said some of the industrial development funds are going to the airport for the incentives to bring planes back to the airport. Last year (FY 04-05) is the first year they gave money to the airport. Taxes from the aircraft was supposed to come back from the airport. Mr. Elliott said they are anticipating additional funds next year. They plan to meet with Mr. Turcotte on this matter. Commissioner Garris said the planes have come back the first year. This is no increase for the county in expenditures because it will be covered by the taxes coming back to the county. Mr. Elliott said this is a wash in funds. They are trying to retain these planes in the county for their property value. He said it is an incentive to the plane owners to bring the planes back to the county. Commissioner Garris said this means an increase tax revenue. The net impact is zero. Ms. Bryan said the first year fund balance from the Industrial Development Commission was appropriated. The next year is it budgeted. They are now on the books for Pitt County. Commissioner Garris said this is an incentive by giving them discounts on their fuel.

Commissioner James asked about the proposed increase in solid waste fees. Mr. Dickerson said there is over a \$1 million in this fund. Ms. Bryan said the county is required by the state to have a fund balance for the landfill. The fees are being raised to cover current costs so the people using the service pay for the service. Mr. Dickerson said they pay their own way but they also have to compete with other services or counties. They compete on the household waste to keep the costs down. Mr. Dickerson said they had kept the fees down and now the contractor is asking for a small increase in commercial fees. They have kept things down because they have delayed upgrades on the container sites. Commissioner James said he is concerned with the amount of money already in the fund. Mr. Dickerson said they have an obligation on the existing landfill which is way above what they have in their solid waste fund or fund balance.

Commissioner Minges asked about the \$20,000 for ECVC appropriated compared to the \$48,560 requested. He also spoke about new legislation on plastic bottles. Mr. Dickerson said ECVC is prepared to accept the plastic bottles. Mr. Dickerson said the increase is for forklifts for the recovery facility at ECVC and they need the forklifts to do the recycling. Mr. Dickerson said that they are already close on the margin and just do break even. Commissioner Minges asked if it's appropriate to go into fund balance for this request. Commissioner Minges recommended this request for forklift funds be funded from the solid waste fund.

Commissioner James said he thought there was an agreement with Raleigh once the wells were put on the property. Mr. Dickerson said the state told the county to fix the problem and they did. They have to have this financial guarantee in case something else comes up according to the law. Mr. Dickerson said they bought property to increase the buffer around the landfill but the landfill has to be monitored for 30 years and the state can extend that timeframe if problems are found.

Commissioner Hammond asked how much debt service has been eliminated since last year. Mr. Elliot said no debt service has been eliminated but some has been added for the schools for the \$30 million COPS package. Commissioner Hammond asked about the Register of Deeds and Garage budget increases. Mr. Elliott stated the garage increase was due to fuel price increases.

Commissioner Hammond said Noel Lee has presented grants that he has received but he did not see that in the new budget. Mr. Elliott said they do not show those grants until they are received and need to be budgeted. Commissioner Bowen said there are two to three contractors for the landfill. Mr. Dickerson said there is one contract with C&D landfill. Commissioner Bowen asked about the Hwy 33 site, ER Lewis. Mr. Dickerson said that is a different type of landfill and the county does not receive any funds from that landfill.

Commissioner Bowen said he has never heard a complaint about ECVC. He asked why we would cut their request. Mr. Dickerson said he made that recommendation because he thought the fund could stand it. Commissioner Hammond said Mr. LeRoux told him if they had someone who wanted to work, to bring them out there. He said it is a very good program.

Commissioner Bowen asked why they were trying to act like the EMS tax increase is not being proposed as a tax increase and the E911 surcharge are funds they won't let counties use anyway so why increase it. Commissioner Bowen spoke about the Planning Board's request for an increase. He said if the Planning Board is receiving funds for meetings then the other boards should also receive funds. Commissioner Bowen asked about the non-departmental fund. Ms. Bryan said the cost of living monies are in the non departmental fund as well as insurance premiums.

Commissioner Mingos asked about merit increases and where are they budgeted? Ms. Bryan said they are reflected in the department budgets. Commissioner Mingos asked what percentage of the people don't receive the merit increase? Mr. Elliott said the majority do receive the merit. It is all based on performance and its based on the performance appraisal tool. Newer employees can receive 2.4% which decreases to 1.2% as you become a seasoned employee.

Commissioner Bowen said the amended budget versus the approved budget is \$20 million more. Ms. Bryan said there is a \$12 million payoff from old debt in the amended budget where bonds were refinanced. Commissioner Bowen asked if maintenance on schools is a capital project. Ms. Bryan said it depends on the project. Commissioner Bowen asked about a difference in the vehicle requests versus the Manager's recommendation.

Commissioner Bowen asked about the funding of a Red Cross as one of the affiliate agencies. He said he did not think this was something the county should fund. Commissioner Mingos said that with 5-6 projected hurricanes to hit this year the Red Cross may have to assist the county. Mr. Elliott said these decisions on the programs to fund were based on the board's goals. Commissioner James said the county should not be funding the Red Cross. Commissioner Bowen spoke about the COLA's. Mr. Elliott was recommending the 3% cost of living based on the consumer price index. Commissioner Bowen asked about the reclassification requests. Mr. Elliott provided the board with a list of reclassification requests for the next fiscal year. There were 56 requested and only 16 reclassifications approved for FY 2005-2006.

Pitt County

REQUESTS FOR FUNDING - NONPROFIT "SUSTAINING" AGENCIES

Fiscal Year 2005-06

	FY 03-04	FY 04-05	FY 05-06	FY 05-06
Sustaining Agency	Actual	Budget	Request	Mgr Rec

Human Services 105800

Little Willie Center	1,750	1,750	1,750	1,750
Farmville Child Development Center	10,000	10,000	10,000	10,000

Cultural & Recreational 106100

Radio Reading Program	1,500	1,500	5,000	1,500
-----------------------	-------	-------	-------	-------

Libraries

Ayden Public Library	4,000	4,000	6,000	4,000
Farmville Public Library	8,000	4,000	14,568	4,000
Winterville Public Library	2,000	4,000	4,000	4,000
Bethel Public Library	2,000	2,000	2,000	2,000
Fountain Public Library	0	2,000	8,180	2,000
Grifton Public Library	4,000	2,000	7,500	2,000

Recreation

Pitt Co. Community Schools & Recreation Grants	--	25,000	25,000	25,000
--	----	--------	--------	--------

Civic/Arts

Ayden Arts	5,000	5,000	0	0
Farmville Community Arts Council	7,000	5,000	7,000	5,000
Grifton Civic Center	5,000	5,000	7,500	5,000
Greenville Museum of Art	7,000	5,000	10,000	5,000

Total Sustaining Grants	57,250	76,250	108,498	71,250
--------------------------------	---------------	---------------	----------------	---------------

**Pitt County
REQUESTS FOR FUNDING - AFFILIATE AGENCIES
Fiscal Year 2005-06**

Affiliate Agency	FY 03-04 Actual	FY 04-05 Budget	FY 05-06 Request	FY 05-06 Mgr Rec
-------------------------	----------------------------	----------------------------	-----------------------------	-----------------------------

Sheppard Memorial Library	427,338	438,161	462,559	457,207
Pitt County Council on Aging	153,900	160,000	398,194	167,000
Pitt-Greenville Airport Authority - Operations	0	0	0	0
Pitt-Greenville Airport - Economic Stimulus ⁽¹⁾	0	62,270	71,535	71,535
Pitt Area Transit System	11,656	0	20,000	0
Eastern Carolina Vocational Center ²	35,000	20,000	48,560	20,000
Total to Affiliate Agencies	627,894	680,431	1,000,848	715,742

¹ Economic Stimulus funded in Industrial Development Fund

Pitt County
REQUESTS FOR FUNDING - NONPROFITS - COMPETITIVE PROCESS
Fiscal Year 2005-06

Agency	FY 04-05 Budget	05-06 Request	FY 05-06 Mgr Rec	Type Granted
Competitive Grants				
Public Safety 104379				
Legal Aid of NC, Inc.	0	3,000	3,000	One-Time
Sentencing Services Program	0	0	0	
Human Services 105800				
AGAPE Regeneration Program	0	4,000	0	
American Red Cross	0	6,800	6,800	One-Time
Communities In Schools of Pitt County	0	7,500	0	
Executive Center for Economic & Educational Dev. Inc. (Exceed Inc.)	0	7,000	0	
Family Violence Program, Inc. - Family Visitation Center	7,500	7,500	5,625	2nd Year
Family Violence Program, Inc. - New Directions Safe House	0	16,000	0	
Greenville Community Shelters, Inc. - Operations	2,500	0	0	
Greenville Community Shelters, Inc. - Solid Ground	5,000	0	0	
Greenville Community Shelters, Inc. - Summer Activities	0	4,000	4,000	One-Time
Greenville Community Shelters, Inc. - Educ Enrichment	0	5,000	0	
Hope of Glory Ministries, Inc.	0	6,000	0	
LIFE of NC, Inc.	0	5,000	5,000	Start-up
Mediation Center	0	7,500	0	
Pitt County Substance Abuse Coalition: A Call to Action	0	7,500	0	
REAL Crisis Intervention, Inc.	7,500	7,500	0	
SNAP, Inc. (Seeking New Avenues of Potential)	0	7,500	0	
STAR (Support Team for Active Recreation)	0	2,800	0	
STAR (Support Team for Active Recreation)-2nd Year	3,940	2,955	2955	2nd Year
Steps to Freedom, Inc.	0	7,500	0	
Cultural & Recreational 106100				
Boys & Girls Clubs	0	7,500	0	
East Carolina Village of Yesteryear, Inc.	0	5,000	0	
Greenville Disc Golf, Inc.	0	3,500	0	
Mr. Rudy's Art Center	2,500	0	0	
Music Academy of Eastern Carolina	0	7,500	0	
Spell Art, Inc.	0	5,000	0	
Winterville Historical & Arts Society	0	0	0	

Total Competitive Grants

28,940

143,555

27,380

Competitive grant applications are reviewed and rated by a cross-service committee who makes recommendations to the County Manager based upon funding resources.

Committee Considerations in Reviewing/Prioritizing Grant Funding:

- * Board Goals/Priorities
- * Reducing Long-Term Dependence
- * Service Area (broadbased vs. small population)
- * New Programs vs. Operational Funding
- * Not providing duplicative funding to areas already receiving county funding in another manner or a service already provided by Pitt County in some way. (i.e., afterschool care)
- * Optimization of County dollars through other outside funding (state,federal)

Commissioner James asked how many employees Mental Health had lost since privatizing. Mr. Elliott said they project 43 employees to work for the LME when privatizing is complete. Commissioner James said he wanted to know what number of employees they had employed over the last 2-3 years. Ms. Bryan reviewed the Summary of Positions for Mental Health. Commissioner James said the number of employees is not balancing out. Ms. Bryan explained the number of positions.

Commissioner Coulson said he would like to see the county keep the health insurance for employees at the 100% hospitalization benefit. On Tax Assessor's budget, he asked why the Manager's recommendation was higher than their request. Mr. Elliott said Mr. Cutrell had not included the positions needed for the revaluation. Mr. Elliott said those positions are funded through the revaluation fund.

Education Funding Overview

Pitt County Schools

Funding Calculation / Rationale

Per Pupil Expenditures Estimate/Projection (NCACC Budget & Tax Survey)

	FY02-03	FY03-04	FY04-05	Est. FY05-06	
Rank (out of 100)	27	25	26	TBD	
PPE	\$1,204	\$1,247	\$1,289 *	\$1,308	as currently recommended
PPE Funding @ 33rd Position	\$1,109	\$1,126	\$1,171		

**Calculated on \$27,020,448 actual cash for system + \$340,000 rental credit.*

Funding Calculation:	FY 04-05 Base Current Expense - Rent - Administrative Building Estimated FY 05-06 PPE x 408 New Students Opening Costs - Creekside Elementary Opening Costs - Community Schools & Recreation Utilities & Fuel Cost Increases (uncontrollables)	\$2
	Total Current Expense Recommended for FY 05-06	\$2
	Less FY04-05 Base	-2
	Less Rent	-
	New Current Expense \$ for FY 05-06	\$
	Category I, II, III Capital Additional for Debt Payment (covers shortfall) School Improvement Projects (roofing)	
	Total Budgeted	\$2

Pitt County Schools (continued)

Current Expense		Requested Increase	Manager's Recommendation
FY 04-05 Current Expense Budget + Rent	\$27,360,448		
FY 05-06 Requested Current Expense + Rent	\$29,218,478	\$1,858,030	\$

FY 05-06 Requested Category I, II, III Capital	\$750,000	\$0
FY 05-06 Capital Outlay (roofing)	\$500,000	\$500,000
FY 05-06 Debt Service	\$80,000	\$80,000

Pitt Community College

Current Expense

		Increase	
FY 04-05 Current Expense Budget	\$3,200,000		
FY 05-06 Requested	\$3,617,274	\$417,274	(Includes McThrift - Dr. Ma address)
FY 05-06 Manager's Recommended Appropriation	\$3,360,000	\$160,000	
Difference - Requested vs. Mgr's Recommendation	-\$257,274		
<i>Capital Outlay</i> (continued annual amount)	\$75,000		

Commissioner Coulson spoke about the Education Compact. He said the compact is being revisited annually because the schools receive \$8.6 million more each year than they would have received prior to the compact. They will get \$43 million more than they would have gotten over the next several years. He asked that the paper stop beating up on the commissioners saying they have not given the schools the funds they needed. These compact funds have compounded every year. Commissioner Hammond said that's more than the original compact was planned to give to the schools. Commissioner Coulson said the school system has chosen how they wish to spend those funds. Commissioner Minges said schools budget is up 5.63%. Mr. Elliott said that 40% of the new money is going to the schools. Commissioner Minges asked how much is enough for the schools?

Commissioner Ward said a neighboring county has not had an increase in their school funding in the last 5 years. She is proud that Pitt County is still in the top 30 counties in the state in funding the schools.

Commissioner Hammond said Commissioner Coulson and he discussed the one cent sales tax. They discussed allocating funds per project for the schools. Mr. Elliott said they are trying to come up with a funding plan for the schools and the community college. Commissioner Coulson said if they do not get the 1 percent sales tax, then it will hurt the county because they cannot do long term planning. Commissioner James said he is committed to the one cent sales tax. Pitt County has a responsibility on how the money is used.

Commissioner Minges requested a list of county vehicles with total mileage, mileage per month and year of vehicle.

Mr. Elliott stated the County's uncontrollable expenses increased by \$165,000 and schools listed uncontrollable for schools in the amount of \$565,000. Mr. Elliott said they have 34 school facilities which have operational increases. Ms. Bryan noted that this represents general fund departments. Commissioner James questioned a situation with a county car. Mr. Elliott said vehicles have been moved from Mental Health to DSS during their divestiture.

Commissioner Minges asked about fund balances for departments. He also asked about the request from Mental Health. Commissioner Minges spoke about the Planning Board fees and recommended looking at all of the boards and commissions. He suggested compensation be added to the report. He asked about Elections and isn't it a state mandate for one machine per precinct for developmentally disabled voters. He asked why animal and mosquito control had an 8% increase. Commissioner Minges said an ambulance franchise fee was not included. Mr. Elliott said that Legal is still looking into the ambulance franchise fee. Commissioner Minges said there have been 2 studies done in EMS. Both studies recommended consolidation. He asked why the county has not followed the recommendations from these studies. Mr. Elliott said this has been a very unpopular topic. Commissioner Bowen said the situation has changed now and they can't go back to those recommendations. Commissioner Minges said there is still a hole in the EMS budget. There needs to be closer scrutiny on the departments. They should be getting reimbursement on sales tax and several other things they could be benefit from.

Commissioner Minges asked about a study done on the GREAT Bus system, Hospital, ECU transit system and PATS and a way to combine them. He said transportation costs are going to continue to increase. He discussed the possibility of merging systems. Mr. Elliott said they are looking into this and once prepared, it will be presented to the City Council and Board of Commissioners.

Commissioner Minges asked why the increase for the Radio Reading System. Ms. Bryan said their request is for purchase of additional radios.

He asked about the funding for Legal Aid of NC. Mr. Elliott read the program plans. They will partner with Pitt County Schools in training students. This is to help students understand the need to pay state and local taxes. Commissioner Minges spoke about the county's health insurance being self funded. He asked how much money would this increase add to the fund balance. \$376,000 would come from the reduction in coverage from 100% to 90%.

Commissioner Minges asked for comparable counties information. He said he asked if they self insured and what they currently charge per family and if they are having increases. Also what other COLA's are giving. He said the City and GUC are giving a 3% cost of living.

Vice Chairman Garris commended Mr. Elliott on this budget. This budget is 1% less than last years. The original request is \$6 million less than the requests. The \$4.1 million from fund balance \$3.7 million will plug the budget. They expect to spend about \$400,000 on one time expenses and still maintain a 20% fund balance.

Vice Chairman Garris expressed concern about the proposed 1 cent EMS tax increase and said they need to find another option. Vice Chairman Garris was in favor of doing for employees but also stated they need to be good custodians of funds. In the private sector, premiums are going up every year. Co-insurance at 100% is not realistic out in the real world. He believes this is a reasonable proposal.

Meeting Notes

Mr. Noel Lee said the name of his department has changed to Pitt County Emergency Management (vs. Emergency Services) which includes, EMS, Fire and Rescue. There are 10 EMS squads, 20 fire departments, fire inspections, non emergency franchises, state and county level EMS. They have a small staff. Emergency Operations plan, homeland security grants and other grants. He reviewed projects and areas they are working on.

- Separate budget from Emergency Management
- Salaries are up for part time fire inspector
- Auto expense is up for part time inspector to use a vehicle
- Have requested vehicles for last two years but are using Sheriff's older vehicles
- Fuel costs are up
- Office supplies are down
- Phones are less, but land lines must be maintained
- Radio maintenance up 2.5%
- Contract services down
- Asking that departments be paid \$10 per call they make
- \$10,000 match per vehicle

In the past they have allocated funds to each fire department but there is no specific system. This needs to be made equal across the county. Four trucks were budgeted this year and they received two requests for this year. In reference to the fire district tax there are 18 fire districts and each one has a fire district tax except for Belvoir and Bethel. Eastern Pines secured money for grants in the past but not this year. Grifton has made a small increase to take care of their trucks. Emergency Management and Fire district budgets have remained the same for some time. There is a lot of stressful work in this area. Commissioner Hammond said they want all SUV vehicles as replacement vehicles. Commissioner James said Bethel and Belvoir have never had a fire tax.

Commissioner Minges asked Mr. Lee what he needs to do his job. Mr. Lee requested an Emergency Planner position, but by moving the Administrative Assistant to the Emergency Planner Position, he lost his Administrative Assistant position. There are a lot of things that go on in their department and they need an Administrative Assistant. Commissioner Minges said that needs to be put back in the budget.

Commissioner James asked if the board discussed the process of fire departments responding to wrecks. Mr. Lee said that 911 determines if EMS is sent and if a fire truck is sent. Commissioner Bowen asked if the Administrative Assistant would be busy full time. Mr. Lee said their positions are split between fire and EMS. Mr. Elliott said that they have had 100% turnover over the last few years. Mr. Lee said they have four full time positions and two part time positions. Commissioner Bowen asked if there was any consideration of consolidating the 911 with his department in light of the retirement of Nate Caddy. Mr. Elliott said he is currently studying that possibility.

Commissioner Bowen said in Pitt County the rescue is done by the Fire Department. Chairman Owens asked about the facility in Fountain. Mr. Lee said Fountain has a facility for Fire and EMS.

- Fire Departments
 - Allocations to all Fire Departments
 - Call Payments
 - Request for Match for Two Pumpers

Fire District Tax

- 18 Fire Tax Districts
- Increase by two Districts

Public Safety must be provided by the County. Mr. Lee said the EMS Advisory Commission, County Commissioners, County Manager's staff all looked at the budgets. They met with the departments and reduced their budgets.

- Other supplies are up because of auto pulse. \$135-\$145 each use
- Insurance has gone up. Auto expense is up

EMS Budget

- Short Term Solutions Rank by BOCC at recent workshop
 - Reduce EMS budgets to Meet Revenue Projection - 8
 - Implement ambulance Franchise Fee - 7
 - Increase General Fund Allocation – 3
 - Raise EMS Tax - 0
- Long Term Solutions Rank by BOCC at recent workshop
 - Realignment of Delivery System – 10
 - Hospital Operated System – 8
 - Privatized System – 5
 - Base Level Funding with Provisional Call Level Funding – 2
 - County Operated System – 0
 - Municipal Operated System - 0
- Create a Plan to Consolidate two Squads
- Considerations:
 - Lowest number of Dispatches
 - Smallest District Square Mileage
 - Lowest Population per District
 - Lowest Revenue Generated by Calls
 - Highest Readiness Cost per Call

EMS Budget

Squad	Dispatched	\$/Dispatch	Sq. Mileage	Population
Ayden	1353	\$ 239.41	80.23	11,176
Bell				
Arthur	680	\$ 441.22	40.59	6,499
Bethel	747	\$ 438.48	91.29	6,078
Eastern				
Pines	1186	\$ 219.83	93.79	18,825
Falkland	558	\$ 409.68	66.74	7,886
Farmville	1243	\$ 243.69	38.66	8,529
Fountain	308	\$ 915.71	26.24	1,781
Grifton	747	\$ 351.85	46.98	6,055
Pactolus	714	\$ 488.09	97.46	7,955
Staton House	412	\$ -	0	-
Winterville	1285	\$ 233.42	42.81	16,639

- Recommendation:
 - Consolidate Farmville and Fountain EMS
 - Called Farmville/Fountain EMS
 -
- Items That Need to Addressed in the Future
 - Ambulance Replacement and Maintenance
 - Preventive Maintenance / Specialized Equipment
 - Infectious Control Measures
 - Personal Protective Equipment
 - Training and Continuing Education
- Balance EMS Budget
 - Cuts that have been Presented
 - Billing in House
 - Consolidation of two Squads
 - One Cent Increase in EMS Tax
 - Contribution of \$138,814 from General Fund

Mr. Lee said he was given the challenge to create one squad from two. They looked at the number of calls, population in district, readiness or cost per call and other criteria. He said the squad that falls in this category is the Fountain Squad. They looked at calling it the Farmville/Fountain squad, and having a first responders unit in Fountain.

Chairman Owens asked if they looked at reducing the cost of the other nine squads before looking at consolidating Farmville and Fountain. He asked if the commission looked at consolidation of other departments or reducing budgets overall. Mr. Lee said they did not look at reducing costs again for all departments. Mr. Elliott said they wanted to raise the EMS tax. Chairman Owens asked about the industrial area.

Mr. Lee said they would need a vehicle and to hire a person and run from 8am till 6pm. Chairman Owens said he thought the services were supposed to be equitable to all areas in the County. He asked if what was being proposed would be reliable and comprehensive. Mr. Lee said they can not be completely equitable and consistent through the whole County without a large influx of money.

Mr. Lee said they felt that a little change in the short period of time was a way to start the realignment and once realignment ends, they would have equitable services. Mr. Bulow has been exploring additional grants for this area. Mr. Elliott said they put enough funds in the budget to provide the services and find a more centralized building for both areas. They could provide service to Farmville, Fountain and Falkland. Currently, there are some dead zones that exists in the county. Chairman Owens said they are creating a dead zone with this proposal. Mr. Elliott said they have built in \$50,000 this year but it would not start until July 06-07. Chairman Owens asked about overall costs. He asked response time from the industrial area. Mr. Lee said 4 minutes or 20-25 minutes once a call is received. Response time from Farmville is about 8 minutes, Fountain is about 9 minutes. From Farmville to Fountain is about 9 minutes. For total complete call, you're looking at 30 to 40 minutes. They will get advanced care in 10 minutes.

Chairman Owens said that the people in Fountain started their own rescue squad. They don't have a doctor. Men and Women formed and created a rescue squad which became a viable service to the people. People need the best they can get.

Commissioner James said there should have been better planning on this matter. The people in Fountain will not let their rescue squad go. He said the volunteers built the building and now the county's going to come in and tell them what to do. He said there is no fair way to do this. People want their taxes lowered and money is not going to solve this situation. Commissioner James said the people that are using the service are not paying it. The rescue squads are not sending in the billing but they want their financial requests filled. Mr. Lee said there is a big discrepancy in the number of calls and what is being billed. We should be able to bill the exact number of patients that are delivered to the hospital. Mr. Lee reported there were 6300 completed calls with only about 4200 calls billed.

Commissioner Ward asked to look at the small call volumes which cost twice as much for the trucks to go out to the call than the average larger squads. She suggested they explain the plan for the next 6 months and what does it mean to put a first responder at a fire station. Mr. Bulow said they had been working on this program. They are trying to get some grants to implement this program and sort out what calls need life support. The first responder would go and work to keep them alive until the rescue squad arrived.

Mr. Bulow said the Bethel Mayor and Manager were thrilled with the recent station move. Mr. Lee said the response time in Fountain is 9 minutes and 40 seconds. They took each budget submitted by each squad. Commissioner Minges asked about staffing.

Mr. Lee said the older volunteers are aging out and they are losing those people. He suggested they could station a QRV there but they also need to look at the entire county. They now are having to provide paid staff. They need a long vision and it could incorporate QRVs and first responders. Chairman Owens said the people of Fountain are entitled to have paid people look after them as much as any where else. Chairman Owens said there are a lot of "if's" and they need a plan with concrete points.

Mr. Elliott said 75% of the rescue squads budgets are personnel costs driven.

Vice Chairman Garris said they have asked the manager to find a way to fund this without a tax increase. He doesn't like the idea of doing away with squads but they need to look at a long range viable plan. Pitt and Beaufort both have a fire tax. He said \$710,000 will be needed if this recommendation is not acceptable.

Vice Chairman Garris said to this consolidation and one cent EMS tax out of the proposed budget. The \$138,000 contribution will be moved to \$700,000. Commissioner Mingos said this leaves a large deficit. Ms. Bryan said they could never pay for this service totally on transport fees. Those are already included in the revenues. Collections will improve but there will still be a need for the \$710,000. Calls are received but transports are not being charged except for diabetics. Diabetics are billed.

Commissioner Mingos said the supplies need to be billed for also. Ms. Bryan said you can bill the individual but not the insurance for that cost. Mr. Lee said you can request bids from private companies. Mr. Elliott said they would want the emergency and non emergency transports, but then the county would have to deal with the existing franchises.

Mr. Bulow said they recommended consolidating squads and use QRVs in outlying areas in the 1998-1999 and the 2001 studies.

Commissioner Ward said these studies included some consolidation and some QRVs. There were three to four options. There is a long range plan. The recommendation is being made in conjunction with the EMS people based on what was in the EMS plan. Commissioner Ward said this was an attempt to implement the plans. Commissioner Ward said the job of the EMS Commission was to take care of this situation. They had to comply with the state requirements. The second part was to deal with the studies. She said she has served on the EMS Advisory Committee since the beginning and the commission needs to bring the short range and long range plans to the commissioners. The county cannot come up with \$700,000 each year out of general funds. Commissioner James said it will require more funds each year. Commissioner Bowen suggested they should see how other counties provide these services.

Social Services - Edward L. Garrison

Meeting Notes

Mr. Garrison introduced two board members, along with Vice Chairman Garris, and read the mission statement for the Department of Social Services.



INCOME MAINTENANCE PROGRAMS

- **Child Support Enforcement** - increased total support collection from \$9,149,627 to \$10,022,369.
- **Work First Cash Assistance** - enabled 145 heads of households to enter gainful employment.
- **Medicaid** - provided health coverage to 20,516 children & adults (1,748 children through the North Carolina Health Choice Program).
- **Food Stamps** - average of 6,457 households and 15,837 people receiving Food Stamps per month.



INCOME MAINTENANCE PROGRAMS

- **Emergency Assistance Programs**
 - **Crisis Intervention Program** - 1,841 indiv. recipients
 - **Emergency Assistance** - 476 indiv. recipients
 - **FEMA Emergency Assistance, CP & L Project Share, GUC Neighbor to Neighbor** - 201 indiv. recipients
 - **Low Income Energy Assistance Program** - 4,445 indiv. recipients
 - **General Assistance** - 802 indiv. recipients

SERVICES PROGRAMS Accomplishments for 2004



- **Adult Protective Services** - Provided protection for 188 frail, elderly and disabled persons.
- **Child Protective Services** - Provided Protective Services investigations for 1,075 referrals representing 1,827 children.
- **Foster Care** - 152 children currently in Foster Care as of March 2005. 172 for the year. Permanence was found for 54 children in 2004.
- **Adoptions** - Helped 8 children find adoptive placements.

SERVICES PROGRAMS Accomplishments for 2004



- **Monitor Rest Homes** - Monitored 19 rest homes for compliance.
- **Work First Employment Program** - Maintained 91% retention rate for recipients who remained employed.
- **Guardianship (31) & Adult Protective Payees (41)**
- Helped frail, elderly and disabled adults obtain guardianship & protective payees.
- **Child Care** - Provided subsidized Day Care to an average of 1,806 children per month.

PROJECTED TOTAL BUDGET MANAGER'S RECOMMENDED FY 2005 – 2006



- Total Budget \$206,725,365
- Total County Operations \$31,246,169
- County Appropriation \$14,427,175
- The County Appropriation is an increase of \$1,938,435 (15.5%) from the budget adopted for July 1, 2004.

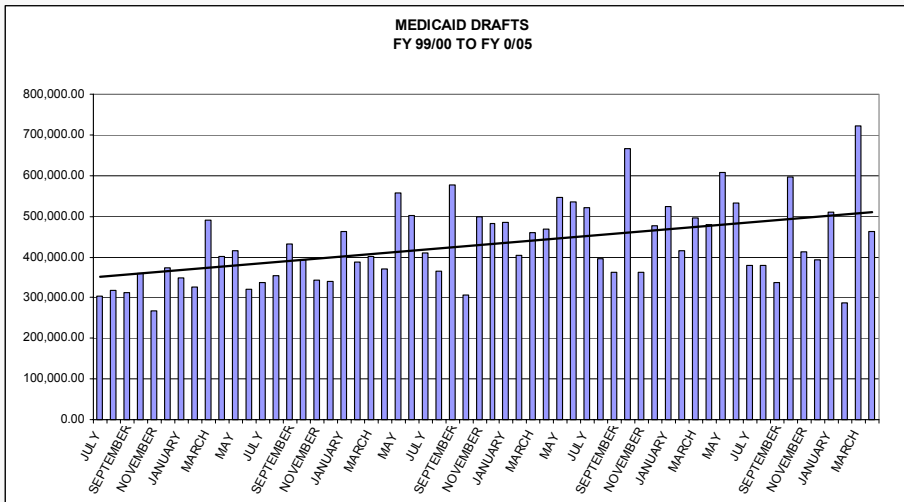
COUNTY APPROPRIATIONS FY 04/05 TO FY 05/06



	Total Funds	County Funds
Current Appropriation	\$28,104,370	\$12,489,522
Manager's Recommendation	\$31,246,169	\$14,427,957
Increase	\$3,141,799	\$1,938,435
Percent Change	11.2%	15.5%

FY 04/05 and FY 05/06

	COUNTY BUDGET FY 04/05	STATE'S ESTIMATE FY 05/06	REQUEST FY 05/06
FY 05/06	\$6,375,355	\$7,871,606	\$7,501,569



COUNTY BUDGET Significant Changes – Points of Interest



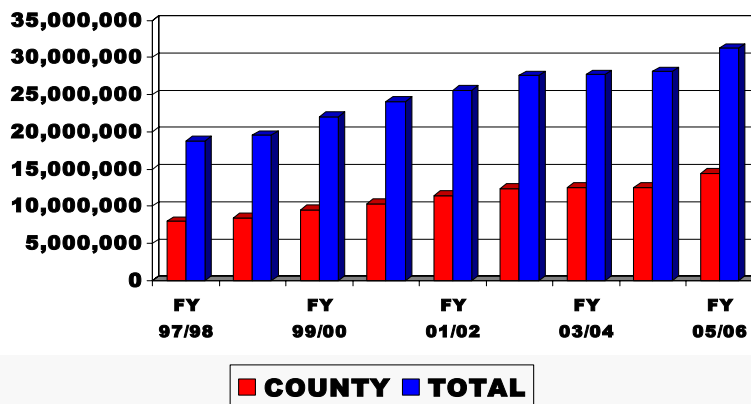
- Medicaid increased by \$1,126,214
- Increased Child Support revenues by \$45,000
- Replacement of 5 cars
- Two new Child Support staff at no cost to the County
- Growth in Foster Care Exp. – Increased by \$220,000

COUNTY BUDGET Other Significant Changes – Points of Concerns



- Food Stamp cases from an average of 5,406 in 2003 to 6,196 in 2004 – 14.6%
- Average Food Stamp Case Load is 18% above the State recommended
- Children's Medicaid cases from an average of 7,201 in 2003 to 8,105 in March 2005 – 12.6%
- Adult Medicaid Case Load increased from 7,319 in 2002 to 7,919 in March 2005 – 8.2%
- Request for one Food Stamp IMC & Two Medicaid IMC positions

TOTAL BUDGET COUNTY APPROPRIATIONS



Mr. Garrison said they had requested an additional five cars and two child support staff.

Mr. Garrison said they requested to put back in the budget one food stamp Income Maintenance Caseworker and two Medicaid Income Maintenance Caseworker positions. He said they have one of the best social services departments in the state. He said they have dedicated staff and some have reached saturation point. He noted that they have never requested this board's assistance when they did not provide it. He said \$31million is the local recommendation for their budget.

Vice Chairman Garris said so many of the those programs are mandated. Of the \$209 million of their total budget, only \$4 million of the services were optional. The budget they looked at had three additional Income Maintenance Case Workers (IMC)

included and asked that they be reconsidered, especially the food stamp position. He may make a motion when looking at the entire budget later.

Commissioner James asked about the personnel services increase. Mr. Elliott said those increases are mainly merit increases. Commissioner Bowen asked about investigations on Medicaid fraud. Mr. Garrison said they investigate individuals but fraud, by doctors or other professionals, is turned over to the state. Commissioner McLawhorn said they went from \$9 million to \$10 million in collections for child support. He said they are working with the Detention Center to use house arrest to put people back to work.

Industrial Development - John Chaffee

Meeting Notes

Mr. John Chaffee spoke of the Development Commission's ability to generate revenue. He said they have so much activity taking place and are now being hampered by the limitation on staffing. With the recovery of the national economy, and their abilities to do their jobs is now related to the number of staff hours they can put into the projects. Some activities are not being done to the level that they should be done due to being short staffed. Mr. Chaffee said that for the most part, they are satisfied with the Manager's recommendation. Their priority this year is to hire an additional person. He has been asking for this position for five years. The new position would assist the Director and handle industrial and distribution projects. They would handle special tactical matters, recruitment and development strategies. They do not have enough time to spend with each individual client. Last year was started off bad but improved and they ended with a good year. They have started the first quarter with very positive projects. This person would allow them to get better coverage.

Commissioner Bowen said he is on the Development Commission Board. This will not cost the county any more money because it will come out of the industrial development taxes. Commissioner Bowen said that he had heard indirectly that Mr. Chaffee may retire in a couple of years so this would be an opportunity to train someone new. Commissioner James said he was supportive of this personnel request.

Adjourn

Meeting Notes

Chairman Owens recessed the meeting until tomorrow at 8:30 a.m.

Respectfully Submitted,

Susan J. Banks, CMC
Clerk to the Board