

**PITT COUNTY BOARD OF COMMISSIONERS
GREENVILLE,NORTH CAROLINA
THURSDAY, JUNE 12, 2008 MINUTES**

Pitt County Board of Commissioners met on Thursday, June 12, 2008 at 7:00 PM in the Commissioner's Auditorium, Pitt County Office Building, 1717 W 5th Street, Greenville, North Carolina.

Board Members Present:

Mark Owens, Jr., Chairman
Melvin McLawhorn, Vice Chairman
David Hammond, Commissioner
Beth Ward, Commissioner
Tom Coulson, Commissioner
Eugene James, Commissioner
Tom Johnson, Commissioner
Jimmy Garris, Commissioner
Kenneth Ross, Commissioner

Staff Present:

Scott Elliott, Manager
Patricia Staton, Clerk to the Board
JoAnne Burgdorff, County Attorney
Janis Gallagher, Assistant County Attorney
Melonie Bryan, Deputy County Manager/Financial Services
Michael Taylor, Chief Information Officer
Phil Dickerson, Deputy County Manager/Public Services
Florida Hardy, Human Resources Director
James Rhodes, Planning Director
Noel Lee, Emergency Management Director

Call to Order

Meeting Notes

Chairman Owens called the meeting to order and welcomed everyone. He stated the Board is looking forward to hearing from the public.

Roll Call

Invocation and Pledge

Meeting Notes

The prayer was offered by Commissioner Jimmy Garris. The Pledge of Allegiance was led by Commissioner Tom Coulson.

Approval of Agenda

Information Provided with the Agenda

Staff Recommendation

Approval of agenda as submitted.

Motion:

Approval of agenda as submitted.

Motion made by Vice Chairman Melvin McLawhorn.

Motion seconded by Commissioner Eugene James.

Motion Passed Unanimously.

Presentation

Presentation of Budget Overview - Scott Elliott

Information Provided with the Agenda

Meeting Notes

Mr. Elliott presented the Board with an overview of the Fiscal Year 2008-09 budget.



Fiscal Year 2008-09 Budget Overview– Public Hearing

June 12, 2008



Review of the Budget Process

- Departmental budget reviews – April / May 2008
- Presentation of Manager's tentative budget recommendation and discussion with Board of Commissioners - May 20-22, 2008 budget workshops
- Presentation of Manager's Recommended / Revised Budget – June 2, 2008
- Discussion of revenue neutral budget considerations and consequences – June 2, 2008



Priority Areas

1. Education / Schools
2. Community Safety / Emergency Services
3. Health / Welfare
4. Economic Development
5. Facilities / Space Needs
6. Infrastructure
7. Recreation & Parks



Budget Highlights

- Decreases ad valorem tax in response to revaluation from \$.71 to \$.665
- Addresses the needs of a growing County experiencing increased demands for services
- Establishes funding for Detention Center 192-bed expansion due to open Spring 2009
- Addresses staffing issues in Sheriff's Department, Public Health, and Social Services
- Increases funding to both Pitt County Schools and Pitt Community College
- Ensures all 10 EMS stations have adequate funding to continue operations at existing service levels



Manager's Recommended Budget

- **General Fund Requests** **\$117,465,921**
- **Reductions taken to date** **(\$6,371,576)**

- **General Fund** **\$111,094,345** (+1.99%)

- **Total Budget** **\$212,401,152** (+1.53%)

The General Fund rate of increase @ 1.99% is down from 2.27% as presented during budget workshops – May 2008. The Total Budget rate of increase @ 1.53% is down from 1.76% as presented during budget workshops – May 2008.



Budget Considerations

- Addresses/considers input received during May 2008 budget workshops;
- Addresses the stated priorities of the Board of Commissioners – education, public safety, public health and welfare – by adding positions and additional funding;
- Addresses critical staffing needs in Public Health, Social Services (Medicaid/Foster Care), the Sheriff's Department (deputies & part-time help) and creates staffing that will allow the County to begin a phased opening of the Detention Center addition;



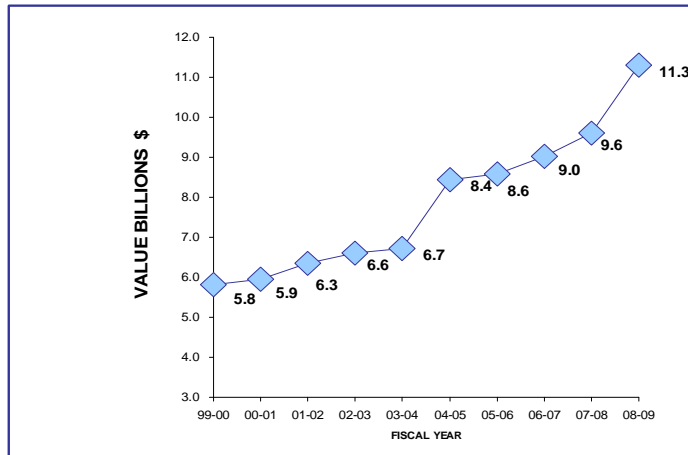
Budget Considerations *(continued)*

- Maintains existing service levels while recognizing the increased demands for service created by current economic conditions;
- Continues to implement strategies to address long-term cost containment and utilization rates of the self-insured Employee Health Insurance Plan with goal of controlling annual costs while maintaining benefit integrity;
- Reflects property values as supported by Revaluation 2008.

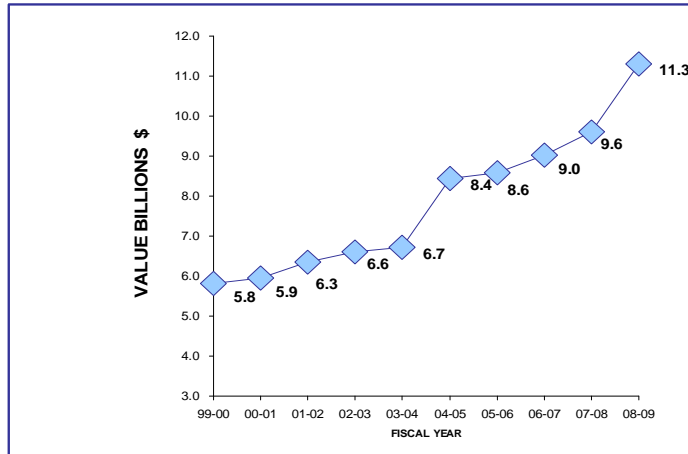
Budget Considerations (continued)

- Responds to increased demands for services from our Citizens
 - Calls for response – Sheriff’s department
 - Case load increases – Social Services
 - Case load/Clinic visit increases – Public Health
 - Maintenance of Paramedic response – EMS
 - Enrollment Growth – PCS / PCC

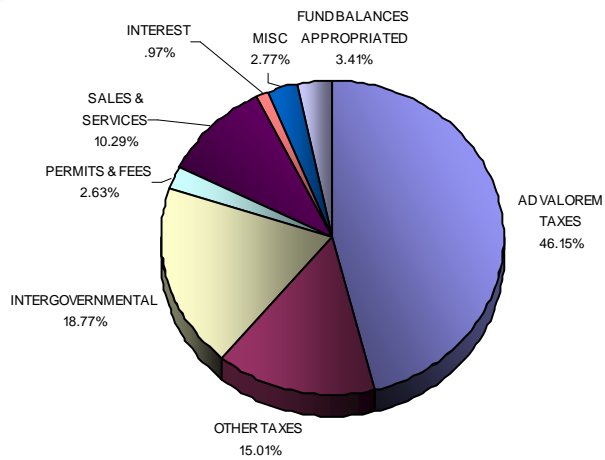
Property Valuation for Tax Base



Property Valuation for Tax Base



Revenues





Fee Changes

■ EMS

	<i>Current</i>	<i>Proposed</i>
Basic	\$300	\$310
ALS (Advanced) I	\$350	\$365
ALS II	\$455	\$520

Fee increases recommended by EMS Oversight Committee and the consultant report from Fitch and Associates. Brings rates in line with 2008 Medicare reimbursement rates.



Fee Changes

■ Solid Waste

	<i>Current</i>	<i>Proposed</i>
Commercial (per ton)	\$42	\$45
Residential (per year)	\$68	\$71

Fee increases predicated on the following factors:

- (1) \$2/ton State fee imposed on County effective July 1, 2008
- (2) \$2/ton hauling increase approved by the Board in early 2008

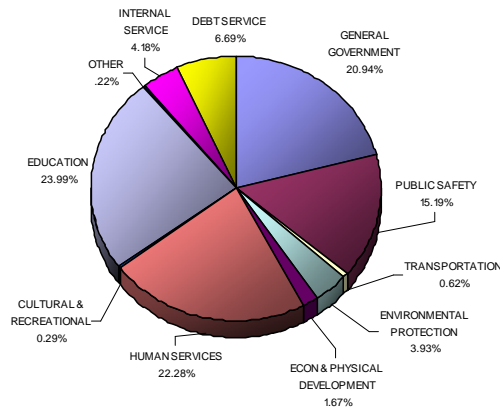
\$4 increase in direct costs offset by recommending \$3 increase in fees.

Fee Changes

■ Health - General

	<i>Current</i>	<i>Proposed</i>
Lot Evaluation – Expired Permit	\$125	N/A
(will be considered new review and will fall under regular Lot Evaluation Fee – change is supported by Board of Health)		
Temporary Food Establishment	\$0	\$50
(required by NCGS 130A-248(d))		

Expenditures





Education–Pitt County Schools

Provides a 4.62% increase in
current expense funding

\$34,481,481 total

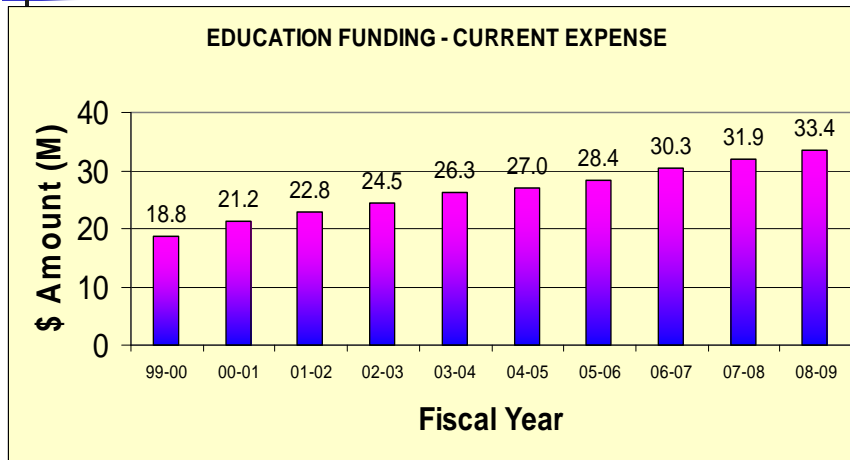
Current Expense	\$33,391,481
Current Expense Rent	\$ 340,000
Capital I, II, III	\$ 750,000

\$1,475,705 in new current expense funding based on 5-year rolling
average of funding increases to BOE.

Note: Represents funding increase from workshop presentation +\$88,707



Education–Pitt County Schools





Education—Pitt Community College

Provides a 5.10% increase in current expense
funding

\$3,968,689 total

Current Expense	\$3,893,689
Capital I, II, III	\$ 75,000

\$189,289 in new current expense funding which would cover projected utility increases and the costs related to opening the Student Center in January 2009.

Note: Represents increase from workshop presentation: +\$30,000



Fire Departments

- As noted during the workshops, 14 of the Fire Departments have asked to hold their tax rates constant, 3 have requested increases, and 1 has moved to reduce its rate.
- There are 20 fire tax districts throughout the County.
- There are currently 2 districts without a tax.
- The requested action to hold rates constant during a revaluation year is similar to the 2004 actions of the various fire districts.



Fire Departments (continued)

- Squads requesting to hold existing rate:

■ Ayden	3.75-cents
■ Bell Arthur	5.00-cents
■ Falkland	6.00-cents
■ Farmville	3.60-cents
■ Fountain	5.00-cents
■ Gardnerville	7.50-cents
■ Grifton	4.99-cents
■ Pactolus	4.25-cents
■ Red Oak	7.00-cents
■ Sharp Point	6.00-cents
■ Simpson	5.00-cents
■ Staton House	1.90-cents
■ Stokes	5.00-cents
■ Winterville	2.50-cents



Fire Departments (continued)

- Squads requesting rate increase above the current year rate:

■ Black Jack	5.40-cents	.9-cent increase
■ Eastern Pines	5.00-cents	1.5-cents increase
■ Grimesland	6.50-cents	1.0-cent increase

- Squads requesting rate decrease below current year rate and below revenue neutral rate:

■ Clark's Neck	4.5-cents	.5-cent decrease
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EMS Fund (continued)

- Proposed Rate 4.4-cents

- Proposed Revenues
 - Ad Valorem Taxes \$2,420,140
 - Transports \$1,705,000
 - Total Fund \$4,125,140

Note: Original EMS budget request from all squads equated to a tax rate of 4.9-cents.



Increases Funded in this budget

- Public Health/DSS \$1,667,798*
- Education (BOE/PCC) \$1,664,994
- Sheriff/Detention/Jail Medical \$1,628,984
- Cost of Living Adjustment (CPI) \$ 980,000*
- Medical – Employees/Retirees \$ 453,496*
- Vehicles (Replacements) \$ 281,000
- Match for Known Grant Awards \$ 223,500

*General Fund portion



Value gained from increases

- **PH/DSS** – addresses critical staffing needs, cost increases in areas such as foster care, and helps address caseload/per staffing ratios;
- **BOE/PCC** – allows new facilities to open within both systems, helps address uncontrollable cost increases;
- **Sheriff/Jail** – addresses existing staffing needs and positions to open the Detention Center expansion, better utilizes part-time help to handle Mental Health commitments, provides funding to meet; uncontrollable cost increases in utilities, fuel and costs related to increased jail headcount;



Value gained from increases

- **Medical/Health Insurance** – continues to fund 100% of the cost of employee insurance coverage with minimal impact to actual benefit plan. Strategies that have been put in place this year (HRAs/biometrics, wellness challenge, increased educational opportunities) and those that will be started in the new year (on-site clinic) should begin to show results that may allow for future rate decreases if costs stabilize;
- **Grant Matches** – allows departments to replace equipment and/or continue services at a fraction of the cost;
- **Vehicle Replacements** – ensures fleet is available for our staff that travel throughout the County on a daily basis.



Revenue Neutral Budget - Considerations & Consequences

- At the direction of the Board of County Commissioners, items included within this recommended budget that could be considered for reduction were part of the June 2 presentation.
- It would take an additional reduction of \$2.7 million to bring the recommended budget into a revenue-neutral posture.
- It should be noted that not every \$1 cut = \$1 of direct savings.



Revenue Neutral Budget - Considerations & Consequences

■ PH/DSS Funding	\$1,667,798
■ Pitt County Schools Funding	1,474,000
■ Headcount Reductions <i>(vacant)</i>	1,000,000
■ Sheriff/Detention Center Funding	1,000,000
■ Wage Adjustments	960,000
■ Employee/Retiree Health Insurance	500,000
■ Eliminate Filled Positions - RIF	480,000
■ Delay Opening of Detention Center Exp.	415,000
■ Replacement Vehicle Funding	281,000
■ Fire District Appropriations	200,000
■ Pitt Community College Funding	190,000
■ Reduction in Funding - Outside Agency	125,000



Revenue Neutral Budget - Considerations & Consequences

- Each action would have a negative impact;
- Each action potentially delays a cost to a future year – and makes it more difficult the next year;
- Staffing and benefits actions impact morale, recruitment and retention of staff – our services are people driven - in the demands for services from our Citizens and in the provision of services by our staff.



Closing thoughts on the recommended budget...

- It is noted that no one enjoys a tax increase;
- The recommended budget would drop the existing tax rate from \$.710 to \$.665;
- Our Citizens are encouraged to review available options like the current Senior Citizen/Permanently Disabled property tax relief to help offset their tax burden and watch for more information about the proposed "Circuit Breaker" law which will expand the Homestead exclusion;
- However, in order to balance the needs of the Citizens, to meet the increasing demands for service, to fund the uncontrollable cost increases being felt throughout the economy, and to continue to offer quality services to our community... a 66.5-cent tax rate is recommended.

Public Hearings

Chairman Owens opened the public hearing.

Tonita Branning, Greenville. Ms. Branning spoke about Pitt County Schools. She spoke about funding for programs. She spoke about the Board not funding Pitt County

Schools. She spoke about commissioners being more specific about concerns. She spoke about redistricting and the cost to bus students. She asked the Board to rethink their decision.

Carolyn Dorthy, Greenville. Ms. Dorthy spoke for the voiceless children in Pitt County. She spoke about not making Dr. Reep choose. She spoke about teachers being paid for what they are worth. She spoke about giving Pitt County Schools enough to open the new school. She spoke about the Board voting to decrease taxes. She spoke about children being worth an extra \$6.95 a month. She spoke about parents being tax payers. She spoke about remembering how the Board voted on school funding.

Rob Dorthy, Greenville. Mr. Dorthy spoke about being a Pitt County property owner. He spoke about watching the Board wrestle with the 2008-2009 budget. He spoke about hearing the Commissioners concerns and views. Mr. Dorthy spoke about leadership. He asked the Board to vote for a budget that will make it possible to provide reliable and progressive programs for citizen's safety and children's education. He spoke about the budget taking away from the school system. He asked the Board to consider the legacy they will leave as they vote on the 2008-2009 budget.

Suzanne Hockmister, 318 Lorie Drive. Ms. Hockmister thanked the Board for the opportunity to speak. Ms. Hockmister spoke about being a teacher since 1986. She spoke about being an advocate for the children. She spoke about not pretending to understand the decisions the Board has to make. She spoke about her views. She spoke about the Board of County Commissioners and the Board of Education trying to balance a budget and making wise choices. She spoke about children needing more than mediocre education.

Susan Reed, Pitt County. Ms. Reed spoke about the cuts to the academically gifted programs. She spoke about the gifted programs being the most about the talented and gifted teachers providing a good job and the children loving it. She spoke about the programs being cut, such as PE and band. She spoke about Pitt County Schools cutting forty positions. She spoke about the children needing dollars put towards education. She spoke about the school system not being able to produce academically gifted well rounded graduates. She spoke about moving forward. She asked the board to please support the Pitt County School Board budget.

Kathy Rivera, Greenville. Ms. Rivera spoke about education in Greenville for her children. She spoke about the future of children being important. She spoke about her family looking for ways to save money. She spoke about the funds requested by Dr. Reep seeming normal to her. She asked the Board to leave education at the high standard that was impressive to her family when they moved to Greenville. She spoke keeping community strong with good public education.

Brent Mallack, Greenville. Mr. Mallack spoke about Pitt County Schools. He spoke about growth in Pitt County. He spoke about relocating to Greenville to join a top ranking city. He spoke about public and private education. He spoke about talented and gifted programs. He spoke about making a different choice if programs are cut. He spoke about needing world class education.

Ephraim Smith thanked the Board for the opportunity to speak. He spoke about living in a country where you can say what you want without being afraid. He spoke about the budget and funding the school system. He spoke about a lady having to make a decision of whether to pay for medicine or food. He spoke about his support for a property tax increase. Mr. Smith said as a citizen he does not support raising advoren taxes for Pitt County.

William Morgan, Winterville. Mr. Morgan spoke about a student who was unable to attend graduation because he had become homeless. He spoke about losing teachers. He spoke about tax increase. He spoke about the drop out rate and what is spent for prisons. He encouraged the Board to support

Chairman Owens thanked everyone who spoke. He stated the comments have not fallen on deaf ears. Chairman Owens spoke about the Board hearing the comments and statements prior to tonight. He asked citizens to participate earlier in the budget process. Chairman Owens stated participating early in the budget process may enlighten citizens as well as commissioners.

Chairman Owens closed the public hearing.

Commissioners' Comments

Meeting Notes

Commissioner Coulson spoke about not being able to sleep since the budget was presented on June 2, 2008. He spoke the increases and the overwhelming majority supporting a tax increase. He spoke about 20 percent of the citizens he has spoken with not being able to afford a tax increase. He spoke about citizens on a fixed income. He spoke about the members on the board making enough to live adequately.

Commissioner Coulson spoke about being the one member of the Board who voted against a four year revaluation. If you didn't want it why did you vote for it? He spoke about the real beef should be with the legislatures. He spoke about the legislatures taking so much money from counties and the burden falling on the local levels. Commissioner Coulson spoke about the Education Compact and Pitt County Schools getting the money. He spoke about the legislature sitting back with a free pass. He stated the Legislators are mandated to provide the funding for schools. He stated the State is pulling away cannot raise money for one purpose and use it for another. please go to legisture and asked that question. He spoke receiving a 23 percent salary increase. He spoke about four members telling him what the board could cut to make the budget revenue neutral.

Commissioner Johnson stated formulating the county budget is extremely complicated. He said most of the public that spoke tonight understands how complicated it is. Commissioner Johnson stated he is doing the very best he can do by listening to the public. He stated he has asked the commissioners who would like a revenue neutral budget to provide him with a list of services to cut. He stated the response has been they do not want services cut but would like everything funded and not raise taxes. Commissioner Johnson stated he understands the budget enough to know that can not happen. Commissioner Johnson said he would like the opportunity to make a motion.

Commissioner Garris stated he appreciated the input from citizens. He spoke about the budget this year being a challenge. He spoke about appropriate balance for each being different. He spoke about valuing the input he has received. He spoke about weighing the options and making a decision. He spoke about his decision not making everyone happy. He spoke about looking at the budget and being pleased with the Manager's budget. He commended the staff for reducing the budget by six million dollars. He spoke about revenue neutral list and examined the list and it being timing list. If the board does not do it now they will have to do it later. Commissioner Garris stated the 66.5 cent tax rate the Manager has recommended is a reasonable compromise. Between the 64 cents and 71 cents.

Vice Chairman McLawhorn thanked everyone who spoke during the public hearing. He spoke about education being a number one priority adopted by the commissioners. He spoke about being very serious about helping the whole county. He spoke about citizens who cannot afford gas and groceries. He spoke about hearing about the gifted and talented programs but not hearing about the drop out rate. He stated he has to do what is best for the citizens he serves.

Commissioner Ross thanked everyone for coming out. He spoke about the concerns from the citizens. He stated he could not in good faith support a tax increase. He stated he is for education but has to look after the citizens.

Commissioner Ward thanked everyone that took the time to come out. She spoke about property taxes and programs being cut. She stated it is not like the program is being cut it is being reduced from its original requested increase. She spoke about once the money is given to Pitt County Schools, the Board has no control what Pitt County Schools does with the money. She stated she wanted the citizens and public to understand the Board has to do what is best for all the citizens in Pitt County. Commissioner Ward stated she supported the budget presented tonight with the 2.5 cents tax increase.

Commissioner Hammond stated he had no comment.

Commissioner James spoke about teaching school. He stated money doesn't make the education the parent does. He stated he has received two phone calls and both were opposed to raising taxes. He spoke about poor people not being able to afford a tax increase. He stated until you live as a poor person you will not understand. Commissioner James stated he wanted to do what is best for the citizens he represents.

Chairman Owens stated he has a different philosophy than Commissioner James. He said to escape poverty you need to get an education. Chairman Owens said you have to have funds to meet the costs of the services the county provides. He stated if he could make a motion tonight it would be for approval of the original budget the Manager and staff presented. He said he is in favor of the budget with the 2.5 cent tax increase.

Commissioner Johnson motioned for the Board to further consider the proposed budget at the next meeting on Monday night. Motion died for a lack of a second.

Motion:

Adoption of the budget as presented.
Motion made by Commissioner Jimmy Garris.
Motion seconded by Commissioner Beth Ward.

Discussion:

Commissioner Coulson stated he made a request to the commissioners that wanted a revenue neutral budget to be specific and not general. He said so far he has only heard general answers. Commissioner Coulson stated he will vote against the motion. He said he will also vote against a motion for a revenue neutral budget. He stated he would like specific ideas.

Chairman Owens stated a non-response is a no answer.

Commissioner Coulson stated he would agree but he would like to give commissioners the additional time to think about a revenue neutral budget. He spoke about the State Legislators balancing their budget on the backs of local governments.

Vote Record:

Beth Ward Yes

David Hammond No

Tom Coulson No

Eugene James No

Tom Johnson No

Mark Owens, Jr. Yes

Jimmy Garris Yes

Melvin McLawhorn No

Kenneth Ross No

Voting Totals: Yes: 3 No: 6

Motion Failed.

Adjourn

Motion to adjourn meeting at 8:40 pm.
Motion made by Commissioner Hammond.
Motion seconded by Commissioner Ross.

Motion Passed Unanimously.

Respectfully Submitted,

Patricia A. Staton
Clerk to the Board