

**Pitt County Board of Commissioners
Greenville, North Carolina
Tuesday, June 16, 2020 Minutes**

Board of Commissioners met on Tuesday, June 16, 2020 at 7:00 PM in the Eugene James Auditorium, Pitt County Office Building, 1717 W 5th Street, Greenville, North Carolina.

Board Members Present:

Melvin McLawhorn, Chairman
Tom Coulson, Vice Chairman
Alex Albright, Commissioner
Mike Fitzpatrick, Commissioner
Ann Floyd Huggins, Commissioner
Christopher W. Nunnally, Commissioner
Beth B. Ward, Commissioner
Lauren White, Commissioner
Mary Perkins-Williams, Commissioner

Staff Present:

Scott Elliott, County Manager
Janis Gallagher, County Attorney
Kimberly Hines, Clerk to the Board
Brian Barnett, Deputy County Manager, Chief Financial Officer
Mike Taylor, Deputy County Manager, Chief Information Officer
Mike Emory, Public Information Officer
Denise Urban, Budget Administrator
Kelly Dixon, Budget and Grants Analyst

Welcome

Chairman McLawhorn welcomed everyone to the meeting.

Call to Order

Chairman McLawhorn called the meeting to order.

Invocation and Pledge

Chairman McLawhorn offered the invocation. County Manager Elliott led the pledge.

Approval of Agenda

Motion:

Motion to approve the agenda.
Motion made by Commissioner Ann Floyd Huggins.
Motion seconded by Commissioner Chris W. Nunnally.

Motion passed unanimously.

Presentation

Meeting Notes

Mr. Elliott presented the following Power Point presentation.

See Appendix 1

Ms. Gallagher reminded the citizens that Pitt County welcomes comments on all matters of public concern. Please state your name and address prior to beginning your remarks. Please keep all comments respectful. Pursuant to the Board's Rules of Procedure, I will keep your time at 5 minutes per speaker.

Chairman McLawhorn declared the public hearing open.

Leigh Ann Odom, 119 Wilkshire Drive, Meridian Park, she stated she works for Max Joyner, Sr. She stated a sixty-two percent increase in household solid waste fees seems high. She stated just in the complexes Mr. Joyner, Sr. owns it would increase their budget by \$32,000. She stated the apartment industry is suffering due to the COVID-19 pandemic. She stated such a large increase will impact property managers and their budgets.

Chairman McLawhorn declared the public hearing closed.

Commissioners' Comments/Committee Reports

Meeting Notes

Commissioner Nunnally stated he received a phone call from Wards Holding's Group. He stated Mr. Ward is concerned with the increase of fees in Solid Waste. He stated there is a lot of pressure on the industries in regard COVID-19. He expressed his concerns with raising fees during the COVID-19 pandemic. He asked Mr. Elliott and Mr. Barnett if anything can be done to help lessen the burden of the fee increase.

Mr. Elliott stated the enterprise fund is a fund that lives on its own revenues. He stated over the past few years we have been in a negative position in the enterprise fund. He stated there are a number of drivers in the increase of fees.

Mr. Barnett stated the major factors are causing the increase are recycling, transfer station, convenient sites, and equipment. He stated there is a certain amount of reserve revenue that we have to have in place to cover. He stated this fiscal year will be another loss. He stated this is the fourth year in a row there has been a loss. He stated the household residential rate is a set fee but is affected by the volume of trash in Solid Waste. He stated each household is charged the same rate but when it is transferred to

another facility (i.e. ECVV, Bertie County), Pitt County is charged again for weight that is being transferred.

Mr. Elliott stated bringing the fee up to ten dollars per month will make us compatible with other counties. He stated in regard to cost cutting measures, a few suggestions would be to eliminate recycling or reduce the number of convenient sites. He stated the current yearly household fee is \$3.83 per month which would increase by \$45.96 per year.

Commissioner Perkins-Williams asked if Commissioner Nunnally's request would offset the budget.

Commissioner Ward asked for clarification on the cost per household per year.

Commissioner Floyd Huggins asked how the property managers fees are calculated.

Mr. Elliott stated each residential unit would be charged \$120 per year which is \$10 a month on their tax bill. He stated every property in Pitt County that has a residential structure is charged. He stated a single-family residence is currently charged \$74 per unit. He stated multi-family complexes are charged \$74 per unit as well. Commissioner Floyd Huggins asked if the fee was being paid by the tenants. Mr. Elliott stated the owner of the complex receives the charge for the whole complex and the fee is calculated/included in the occupants rent.

Commissioner Floyd Huggins asked about the allocation of the ABC Board.

Mr. Elliott said the Pitt County ABC Board on monthly basis distributes a portion of their profits to Pitt County Government. He stated he and Mr. Barnett met with ABC Administrator and the ABC Board Chair on May 23, 2020. He stated the current distribution is \$1.5 million per year. He stated the revenue received from the ABC Board may be raised to \$1.6 million in FY 20-21. He stated the extra \$100,000 will help fund functions of Pitt County Government. He stated notification was received this week that the ABC Board will allocate \$1.5 million for FY 20-21. He stated there will be a \$100,000 gap in the budget but the difference could be made up in lapsed salaries or tax revenues that exceed the projected amounts.

Commissioner Floyd Huggins stated we cannot afford another gap in the budget.

Vice Chairman Coulson stated he finds tonight's debate interesting since the item was presented at last night's meeting and no one mentioned anything. He stated he is a member of the ABC Board and the board approved to keep the \$100,000 dollars for the purchase of more alcohol which would produce more cash flow. He asked if vacant properties could be excluded from the solid waste fee. Mrs. Gallagher stated it is an availability fee not an actual unit fee. She stated any property that produces trash is charged the fee. She stated availability fees have been disputed in court and was upheld. She stated the availability fee is charged annually.

Mr. Elliott stated the Pitt County ABC Board buys the alcohol from the State ABC Commission. He stated in years past the Pitt County has offered to take a reduced quarterly payment in order for the ABC board to purchase bulk sales and then make up their year commitment by year's end.

Vice Chairman Coulson suggested the County Manager and Deputy County Manager meet with ABC Administration during one of their regular scheduled ABC Board meetings so all members could hear the conversation.

Commissioner Nunnally stated with the COVID-19 impact we could see an artificially low impact on vacancies in Pitt County.

Mr. Elliott stated a hotel/motel operator recently submitted a request asking to defer taxes this year to the following year and not to pay the occupancy tax fee. Mr. Elliott stated that is against statutory authority.

Mr. Barnett stated the formation of the entire budget was based on the premise of COVID-19.

Mrs. Gallagher stated the Solid Waste fund is an enterprise fund. She stated if the Board is not satisfied with the existing amount of increase in the availability fee, the Board can identify an alternative reduction to balance out the fund.

Mr. Elliott stated Mr. Demary has reported that household waste has increased.

Commissioner Floyd Huggins stated she sympathizes with the property owners. She asked what is the next step in regard to the budget adoption process.

Mr. Elliott stated in a non-COVID world you would close the public hearing tonight and either direct staff to amend the budget or make a motion to adopt the budget. He stated due to COVID-19, it is required to wait twenty-four hours to allow additional public comments before the budget can be adopted. He stated a meeting has been set for Thursday, June 18th at 9 a.m. to receive additional comments and to adopt the budget.

Chairman McLawhorn stated he served as the Chairman of the ABC Board ten-twelve years ago. He stated the ABC Board is the largest revenue supporter in Pitt County. He stated in years past there were members who were not totally in line with the interests of the overall county. He thanked the County Commissioner that currently serves on the ABC Board.

Adjourn

Motion:

Motion to recess the meeting at 8:05 p.m. until Thursday, June 18th at 9:00 a.m.

Motion made by Commissioner Beth B. Ward.

Motion seconded by Commissioner Mary Perkins-Williams.

Motion passed.

Vote Record:

Beth B. Ward Yes

Tom Coulson No

Melvin McLawhorn Yes

Mary Perkins-Williams Yes

Ann Floyd Huggins Yes

Alex Albright Yes

Mike Fitzpatrick No

Chris W. Nunnally Yes

Lauren White No

Voting Totals:

Yes: 6 No: 3

Respectfully Submitted,

Kimberly W. Hines

Clerk to the Board

Appendix 1

Manager's Report



**Fiscal Year
2020-21
Budget**
Public Hearing on the
Revised Recommended Budget
June 16, 2020



FY 2020-21 Priorities

EDUCATION

PUBLIC SAFETY

ECONOMIC DEVELOPMENT

HUMAN SERVICES

FACILITY AND SPACE NEEDS

INFRASTRUCTURE IMPROVEMENTS

RECREATIONAL ACTIVITIES

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- Decrease in sales tax revenues (-5.49%)
- Decrease in interest earnings (-70.8%)
- Lowers property tax collection % target (98.5% rate - statutorily could have used a 99.4% rate)
- Eliminates COLA provision for workforce
- Eliminates the majority of position expansion requests
- Defers capital requests
- Eliminates or defers several fee increase requests

Guiding Principles for Budget Development

- Requests evaluated against Board goals/priorities
- Balanced budget with revenues meeting expenditures
- Utilizes fund balance as normal "plug"
- Continues with "base budget"



Budget Highlights

- 4.13 cents Ad Valorem tax rate reduction (Revenue Neutral Rate)
- .06 cent Industrial Development tax rate reduction (Revenue Neutral Rate)
- 1.35 cents EMS District rate adjustment
- Addresses COVID-19 impacts
- Increases funding to both Pitt County Schools and Pitt Community College
- Increases staffing for Public Health, Social Services and Sheriff's Office
- Includes employee Pay for Performance compensation and certification increases (delayed until mid-year review)

Recommended 2020-21 Budget

FISCAL YEAR	TOTAL
2019-20 Adopted	\$251,385,900
2020-21 Recommended	\$259,705,077
% Change	3.31%



Recommended Budget (General Fund)

\$182,358,067

Recommended Tax Rate:

General Fund **67.97 cents**

Current Rate 72.10 cents

Rate Adjustment - 4.13 cents

67.97 cents

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Revisions to FY 20-21 Budget (Changes made after Budget Workshops)

- Added 1 Courthouse Deputy position in the Sheriff's Office
- Added a .75 FTE Physician Extender position in Public Health (Maternal Health program)
- Added new Public Health Physical Exam Fees to generate additional revenue to help fund the Physician Extender position
- Decreased Contingency to fund the additional positions
- Decreased Facility Improvements to fund the additional positions



Revised Recommended Budget (General Fund)

Recommended 2020-21 Budget

Original Department Requests	\$ 194,309,354
Reductions to Requested	\$ (12,049,714)
Revised Recommended	\$ 182,358,067
Revenues Projected	
<ul style="list-style-type: none"> Includes \$3.0M of Fund Balance Tax Rate of .6797 to General Fund (Revenue Neutral) 4.13¢ adjustment to General fund 	\$182,358,067
FY 2019-20 Adopted Budget	\$178,282,950
% Change	2.29%



REVENUE REVIEW

Revenue: All Funds



FY 2020 - 21 Revenues

-  Ad Valorem - 51.19%
-  Other Taxes - 11.81%
-  Intergovernmental - 15.11%
-  Permits & Fees - 1.87%
-  Sales & Services - 11.42%
-  Interest Earnings - 0.17%
-  Miscellaneous - 4.26%
-  Fund Balances - 4.17%
Appropriated



Revenue: All Funds

2020-21 REVENUE SOURCES	
Ad Valorem Taxes	\$ 107,111,854
Other Taxes	24,708,662
Intergovernmental	31,614,383
Permits & Fees	3,904,888
Sales & Service	23,904,394
Interest Earnings	350,067
Miscellaneous	8,914,727
Fund Balances Appropriated	8,731,668
Interfund Transfers	50,464,434
TOTAL BUDGET	\$ 259,705,077

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Ad Valorem Tax Rate (General Fund Portion)

Recommended Rate: 67.97¢

Property Value

FY 2019-20 Base	\$ 13,047,967,948
FY 2020-21 Estimated Base	<u>\$ 14,558,554,662</u>
Increase in Base	\$ 1,510,586,714 (11.58%)



PROPOSED FEE CHANGES

- Budget includes fee changes as previously presented for Solid Waste
- Budget also includes the following new Public Health Fees:

Charges and services to add to the PCHD fee schedule	
OS Program Service	Flat Fee
Camp physical exam	\$ 60.00
K-12 sports physical	\$ 60.00
College sports physical exam	\$ 60.00
DOT or Firefighter physical exam	\$ 115.00
Pre-employment physical exam	\$ 70.00



EXPENDITURE REVIEW & HIGHLIGHTS

FY 2020 - 21 Expenditures



- Education - 23.99%
- Public Safety - 19.43%
- Human Services - 17.75%
- General Government - 17.21%
- Debt Service - 7.00%
- Environmental Protection - 5.60%
- Internal Service - 5.35%
- Econ & Physical Development - 2.40%
- Transportation - 0.49%
- Other - 0.47%
- Cultural & Recreational - 0.31%



Expenditures: All Funds

2020-21 RECOMMENDED APPROPRIATIONS	
Education	\$ 62,296,290
Public Safety	50,461,349
Human Services	46,104,102
General Government	44,687,223
Debt Service	18,187,933
Environmental Protection	14,535,201
Internal Service	13,884,097
Economic and Physical Development	6,232,727
Transportation	1,283,826
Other	1,232,564
Cultural & Recreational	799,765
TOTAL BUDGET	\$ 259,705,077

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EDUCATION FUNDING



Pitt County Schools

	2019-20 Current Budget	2020-21 Requested	2020-21 Recommended
Current Expense	\$ 40,565,920	\$ 42,408,174	\$ 41,157,811
Capital I, II, & III	1,000,000	1,000,000	1,000,000
Rent	<u>340,000</u>	<u>340,000</u>	<u>340,000</u>
TOTAL	\$ 41,905,920	\$ 43,748,174	\$ 42,497,811
\$ Increase	\$ 1,355,651	\$ 1,842,254	\$ 591,891
% Increase (in current exp)	3.46%	4.54%	1.46%

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Pitt Community College

2019-20 Current Budget		2020-21 Requested	2020-21 Recommended
Current Expense	\$ 5,994,738	\$ 6,168,911	\$ 6,168,911
Capital	100,000	100,000	100,000
TOTAL	\$ 6,094,738	\$ 6,268,911	\$ 6,268,911
\$ Increase	\$ 106,300	\$ 174,173	\$ 174,173
% Increase	1.81%	2.91%	2.91%

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Education Funding

(Operations, Capital, Debt Service)

Total Education Funding FY 20-21

• Pitt County Schools <i>Current Expense, Capital I, II, & III and Rent</i>	\$ 42,497,811
• Pitt Community College <i>Current Expense & Capital I, II, & III</i>	\$ 6,268,911
• School Capital Reserve	\$ 6,877,442
• Article 46 Sales Tax Reserve	\$ 5,902,126
• School Improvement Projects	\$ <u>750,000</u>
	\$ 62,296,290



INDUSTRIAL DEVELOPMENT COMMISSION



Ad Valorem Tax Rate (Industrial Development Fund)

Recommended Tax Rate: .94 cent
(Revenue Neutral Rate)

Current Rate	1.00 cent
Rate Adjustment	- <u>.06</u> cent
	.94 cent



EMS DISTRICT FUND

- Recommended by the EMS Oversight Committee
- Adjusts rate from 4.60 cents to 5.95 cents
- Continues Capital Replacement Plan



FIRE DISTRICT FUND

Fire Districts: Rate Adjustments

District	Current Rate	New Proposed Rate	Amount of Increase
Black Jack	.0790	.0890	.010
Red Oak	.0700	.0950	.025
Simpson	.0650	.0665	.015



CAPITAL IMPROVEMENT PLAN



Recommended Projects

	Project	Funding Source	FY 2020-21 Recommended
General Government	Annual Vehicle Replacement Plan	BL/C/O	\$ 720,000
	Facilities Capital Maintenance***	C	209,402
	Security Improvements*	C	50,000
Public Safety	EMS Capital Replacement Plan	C	225,000
	Detention Center - Generators	BL/G	1,380,500
	Detention Center - Facility Improvements	FB	125,900
Human Services	Social Services – Migration from Northwoods to Traverse Software**	C/FB	154,000
Education	PCS - Recurring Projects	C	1,000,000
	PCC - Recurring Projects	C	100,000

* Projects were over \$100K threshold when recommended during CIP Workshops, but were reduced due to budget constraints

** Software was purchased in FY 19-20 per Board approval on March 9, 2020 (Year 1 costs are \$210,015, year 2 and year 3 cost is \$154,000 each)

*** Facilities Capital Maintenance was reduced by \$40,598 by BOCC direction on 6/10/20 to help fund positions

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Recommended Projects (continued)

	Project	Funding Source	FY 2020-21 Recommended
Environmental Protection	Solid Waste - Asphalt Repairs - Sites & Transfer Station	BL	150,000
	Solid Waste - Rubber Tire Loader	BL	285,000
	Solid Waste - Roll Off Truck	BL	190,000
	Solid Waste - Yard Jockey	C	110,000
	Solid Waste - Rubber Tire Excavator	C	200,000
	Total of All Recommended Projects		\$4,899,802

Open the Public Hearing for Comments

