

**THE BOARD OF COMMISSIONERS OF THE COUNTY OF CRAVEN MET IN REGULAR SESSION IN THE COMMISSIONERS' ROOM OF THE CRAVEN COUNTY ADMINISTRATION BUILDING, 406 CRAVEN STREET, NEW BERN, NORTH CAROLINA ON MONDAY, MAY 16, 2005. THE MEETING CONVENED AT 8:30 A.M.**

**MEMBERS PRESENT:**

- Chairman George N. Brown, Jr.
- Vice Chairman Perry L. Morris
- Commissioner Lee Kyle Allen
- Commissioner Bill Harper
- Commissioner Johnnie Sampson, Jr.
- Commissioner M. Renée Sisk
- Commissioner Leon C. Staton

**STAFF PRESENT:**

- Harold Blizzard, County Manager
- George B. Sawyer, Assistant County Manager
- Richard F. Hemphill, County Finance Officer
- Ray H. Moser, Human Resources Director
- Gwendolyn M. Bryan, Clerk to the Board
- James R. Sugg, County Attorney

Following an invocation by Commissioner Brown and the Pledge of Allegiance, Commissioner Morris moved to approve minutes of May 2, 2005, seconded by Commissioner Allen and unanimously carried in a roll call vote.

**CONSENT AGENDA**

*Budget Amendments*

Craven County Finance Officer, Rick Hemphill, submitted the following budget amendments for the Board's approval. Commissioner Allen moved for their approval, as requested, seconded by Commissioner Morris and unanimously carried in a roll call vote.

*Elections*

<b>REVENUES</b>	<b>AMOUNT</b>	<b>EXPENDITURES</b>	<b>AMOUNT</b>
101-0601-348-00-00 Maintenance Grant	\$3,421.00	101-0601-400-20-00 Postage	\$2,099.00
		101-601-400-32-40 Other Supplies	\$1,322.00
<b>TOTAL</b>	<b>\$3,421.00</b>	<b>TOTAL</b>	<b>\$3,421.00</b>

**Justification:** State grant received to cover cost of voter verification post cards and mailing of cards.

*Tax Collector*

101-0000-301-01-00 Current Tax	\$1,191.00	101-0901-400-40-80 TMA	\$1,191.00
<b>TOTAL</b>	<b>\$1,191.00</b>	<b>TOTAL</b>	<b>\$1,191.00</b>

**Justification:** Budget taxes collected to cover audit discoveries by Tax Management Associates, Inc.

*DSS 7291 Mandated Services*

101-7291-349-42-00	\$85.00	101-7291-450-23-42	\$85.00
Share the Warmth		Share the Warmth	
TOTAL	\$85.00	TOTAL	\$85.00

**Justification:** Funds received from the State to assist with heating crisis. Funds are 100% State, no County match required.

*Little Swift Creek Fire Dept.*

243-0000-299-00-00	\$291.00	243-2900-410-46-00	\$291.00
Fund Balance		Gen Insurance	
TOTAL	\$291.00	TOTAL	\$291.00

**Justification:** Funds needed to cover VFIS invoice for FY05 general insurance.

*Resolution of Recognition*

Commissioner Allen requested adoption of the following resolution recognizing the accomplishments of Dr. Robert Bianco, Director of Craven Community Concert Band. Commissioner Allen moved for adoption of the following resolution, as requested, seconded by Commissioner Morris and unanimously carried in a roll call vote.

**RESOLUTION  
RECOGNIZING DR. ROBERT BIANCO  
AND HIS LEADERSHIP OF  
CRAVEN COMMUNITY CONCERT BAND**

**WHEREAS**, community bands have had a sporadic existence since their inception in Craven County; and

**WHEREAS**, Dr. Robert Bianco came to Craven County from Ohio in 1998, bringing with him a background which included advanced degrees from University of Cincinnati Conservatory of Music, as well as professorships in music and band directorships at universities in Maryland, Michigan and Ohio; and

**WHEREAS**, Dr. Bianco reorganized the Craven Community Concert Band in 2001, beginning with 49 musicians; and

**WHEREAS**, the Craven Community Concert Band has, under his leadership, grown to an average of 68 musicians every year, including adults and students of music from area middle and high schools; and

**WHEREAS**, the band is open to talented woodwind, brass and percussion musicians who give their time, and have found an outlet under the direction of Dr. Bianco, to serve the community by providing entertainment on numerous occasions.

**NOW, THEREFORE, BE IT RESOLVED** that the Craven County Board of Commissioners salutes Dr. Robert Bianco and his accomplishment, and recognizes his selfless service to the Craven County community as Director of Craven Community Concert Band.

Adopted this 16<sup>th</sup> day of May, 2005.

*Interlocal Agreement for Inspections*

Craven County Planning Director, Don Baumgardner, requested approval of an interlocal agreement between Craven County and the Town of River Bend for inspections within the corporate limits. Commissioner Allen moved for approval of the interlocal

agreement, as requested, seconded by Commissioner Morris and unanimously carried in a roll call vote.

### **PRESENTATION OF NEW BERN'S 300<sup>TH</sup> ANNIVERSARY COMMITTEE**

Swiss Bear Director, Susan Moffat, presented a video and power point presentation on the plans being spearheaded by Swiss Bear to celebrate the 300<sup>th</sup> Anniversary of New Bern's founding in the year 2010. She explained that the celebration is being planned to last for the entire year and would likely involve permanent infrastructure and tourism related improvements that are being sought for the community in preparation. She also anticipated increased revenues to the City and the County as a result of increased room occupancy tax, sales tax, as well as facilities that would continue to function well beyond the celebration. She informed the Board that the City of New Bern has committed \$750,000 toward the cost of the celebration, to be spread over the next five year period and requested that the County also appropriate \$750,000 to be appropriated at \$50,000 per year until the 5<sup>th</sup> year, and the balance being made available at that time. The Board of Commissioners accepted the presentation; however, no action was taken. The request will be considered during the deliberations on the FY 2005-2006 County Budget.

### **APPOINTMENTS**

#### *Airport Authority*

The Board was advised of the passage of House Bill 856 increasing the membership of the Craven Regional Airport Authority from five to eight members, and the requirement that the additional appointments be made no later than May 23<sup>rd</sup>. A request was considered from the Airport Authority to appoint Mr. Bill Naumann, Mr. Clemens Schaller and Mr. Scott Dacey. Commissioner Sampson nominated Mr. Schaller, Mr. Dacey and Mr. Naumann. Commissioner Allen nominated Kenneth Martin and Sabrina Bengel. Chairman Brown placed the names of Robert Hughes and Lee Guthrie in nominations. Commissioner Morris moved to close nominations, seconded by Commissioner Sampson and unanimously carried. In a roll call vote, Mr. Dacey received seven (7) votes, Mr. Naumann received seven (7) votes, Ms. Bengel received three (3) votes from Commissioners Allen, Harper and Sisk, with Mr. Schaller receiving four (4) votes from Commissioners Sampson, Staton, Morris and Brown. Commissioner Allen moved to appoint Mr. Dacey to the three- year term and to appoint Mr. Naumann and Mr. Schaller to the two-year terms, seconded by Commissioner Sisk and unanimously carried.

#### *Craven Aging Planning Board*

The Board was advised that the terms of Sylvia Gaskins and Marianne Taylor on the Craven Aging Planning Board were due to expire with both being eligible for reappointment. The Craven Aging Planning Board requested their reappointment and Commissioner Sampson nominated them. There were no additional nominees and Ms. Gaskins and Ms. Taylor were reappointed by acclamation.

### **UPDATE ON IMPLEMENTATION OF HAZARD MITIGATION PLAN**

Patrick Young, Consulting Planner and Project Manager with Holland Consulting Planners, provided the Board an overview of the progress to date on the Hazard Mitigation Plan. The State laws require, in addition to adoption of the plan, strategies and tasks identified that must be implemented and maintained. He highlighted the sixteen tasks which Craven County must implement by October of 2005. There were no questions or discussion from the Board and the report was received.

### **PRESENTATION OF B/S/H AGREEMENT FOR CONSIDERATION**

Arey Grady of the County Attorney's Office, presented the final document being proposed for the County's agreement with B/S/H relative to conveyance of land for the company's planned expansion. The agreement had been executed by the company and was ready for consideration by the County. Commissioner Sisk inquired who would be the builder on the project. Mr. Grady responded that H&M of Tennessee would be the

general contractor; however, the contractor will use local sub-contractors. In response to Commissioner Sisk's inquiry he continued that the land preparation contractor had not yet been chosen. Commissioner Morris asked that it be stipulated that the Board be advised of any projected delays in the company's performance in advance rather than at the expiration of the applicable time frame. Commissioner Sisk expressed opposition to the agreement, stating that she had received 57 communications from citizens who also oppose it. She cited a great disparity in wealth between B/S/H and Craven County as the basis for her opposition, emphasizing that it would take ten years for the County to recoup a return on its investment. In addition, she expressed opposition to the request on the part of B/S/H that the County provide the costs of the mitigation and permitting on the piece of property being utilized for the expansion. Chairman Brown asked Mr. Grady to explain the mitigation costs involved in the proposed agreement. Mr. Grady explained that there is a term in the agreement which includes the County's responsibility for payment of up to \$90,000 in mitigation and permitting costs; however, he also stated that grants have been secured up to \$85,000 to cover these costs, leaving the County with only \$5,000 of the burden. The Chairman stated that the wetlands would need to be mitigated by the County no matter who locates on the parcel. Commissioner Allen expressed the wish that the budget presentation had been made prior to the presentation of the agreement, which may influence his thinking about the agreement. Commissioner Sampson expressed the opinion that despite the fact that the B/S/H expansion would provide only 36 jobs, the addition of any jobs is valuable as it puts employed citizens on the taxpayer rolls rather than on Social Services. Commissioner Morris moved to approve the agreement, seconded by Commissioner Sampson, there being four (4) "Ayes" from Commissioners Brown, Morris, Sampson and Staton, with three (3) "Nays" from Commissioners Allen, Harper and Sisk.

At 9:30 a.m. the Board was declared in recess and reconvened at 9:45 a.m.

#### **PRESENTATION OF BUDGET MESSAGE**

County Manager, Harold Blizzard, presented the recommended FY 2005-2006 Craven County Budget with the following message:

#### **BUDGET MESSAGE FISCAL YEAR 2005-2006**

Mr. Chairman and Members of the Board of Commissioners:

I hereby submit for your consideration the recommended budget for Craven County for the fiscal year 2006. As you know, the budget development process involves many people and many hours in order to develop a plan that will accomplish the goals of the County for the upcoming year. It is my responsibility to prepare for your consideration a proposed budget which I believe will continue services in an efficient and effective manner. As in the past, many difficult choices have been made in an effort to provide our citizens the services they expect at a reasonable cost. The following summarizes major components of the budget and choices that have been made to this point in the process.

Medicaid is a federal health program for the poor, elderly, and disabled. Each state administers its own Medicaid program but receives 85 percent of its funding from the

federal government. State governments are required to fund the balance of the program costs. With New York recently taking steps to phase out their county share, North Carolina will be the only state requiring counties to fund any of the costs. State and federal government determine which services are offered, who is eligible to receive the services, and the provider rates without input from county government. In recent years, the state has decided to provide additional services beyond the minimum required to receive federal funding and to make more people eligible for services, thereby increasing county costs.

Although several bills have been introduced in the North Carolina General Assembly that would phase out the county share of Medicaid over the next few years, no funds for Medicaid relief were included in the budget proposal by the Governor or the Senate. Since 2001, Craven County's share of Medicaid has increased 49 percent to next year's projected \$5.5 million. For fiscal 2006, Craven County's Medicaid funding is expected to increase approximately \$1.5 million over the amount budgeted in the current year. The increased cost of Medicaid alone for the upcoming year is the equivalent of nearly three (3) cents on the property tax rate. Obviously Medicaid is a tremendous financial burden on the County. Funding Medicaid from the property tax, which is for the most part a static tax, is unreasonable. Our best hope for relief is support in the North Carolina House.

In addition to Medicaid, other expenditures in the Department of Social Services are up approximately \$700,000 from the current year primarily due to increases in subsidized day care, adoption and foster care costs. The increased cost of the Department of Social Services, including Medicaid, is approximately four (4) cents on the property tax rate.

The public school budget is recommended to increase by \$680,000 for current expense and \$50,000 for capital outlay. This brings the total appropriation for public schools current expense to \$14,666,000 and capital outlay to \$750,000. Although the increase is less than the Board of Education requested, it will fund personnel items such as increased

teacher supplements, two (2) percent salary increase for locally paid staff, and the increased cost of health insurance. Funds are also included for increased utilities and general insurance. The five (5) percent increase over the current year appropriation is equal to more than one and a quarter cents (1.25 cents) on the property tax rate.

The Craven Community College budget is recommended to increase by \$131,500 to more than \$2,760,000 for current expense and remain at \$75,000 for capital outlay. This increase will cover the expected four (4) percent salary increase for locally paid personnel and the twenty (20) percent increase for health insurance.

The proposed budget includes a \$500,000 appropriation to the existing Capital Reserve Fund for the upcoming jail project. The additional appropriation will be used for professional services, site acquisition, and other preconstruction expenses and equates to approximately one (1) cent on the property tax rate.

A three (3) percent salary increase for all eligible County employees is being recommended. The Consumer Price Index through March 2005 for the South region shows an increase of 3.2 percent primarily due to inflation in transportation and medical care segments of the economy.

Only a four (4) percent increase in our employee health insurance rate is being recommended. There will be no increase in the dependent and family health insurance rates. Our cost containment efforts in the past years and a favorable claims experience during the past year have enabled us to recommend this modest increase. There will be no increase in the employee, dependent and family dental insurance rates.

Historically, a significant amount of fund balance has been appropriated to balance the budget. The fund balance decline from 22% to 16% over the past few years precludes further reliance on the fund balance as a revenue source.

In summary, the items previously mentioned equate to a seven (7) cents tax increase. The growth in the property tax base does not generate sufficient revenue to fully fund these items. In order to maintain current level of services, it is recommended that the property tax rate be increased by five (5) cents to \$0.61 per \$100 valuation.

I am grateful for the assistance of all department heads and staff in the preparation of this proposed budget. I look forward to working with the Board of Commissioners in the final step of the budget process. The recommended budget is hereby available for public inspection. I recommend the Board schedule a public hearing at 7:00 p.m. on June 6, 2005 and schedule budget sessions in the interim.

Respectfully submitted,

Harold Blizzard  
Craven County Manager

Following the budget message Commissioner Sisk moved to set a public hearing, as requested, on the budget for June 6, 2005 at 7:00 p.m., seconded by Commissioner Staton and unanimously carried. The Board reached consensus to conduct the first budget work session on Thursday, May 19, 2005 at 9:00 a.m.

#### **COUNTY ATTORNEY'S REPORT**

County Attorney, Jim Sugg, asked that the Board go into closed session concerning potential litigation pursuant to NCGS 143-318.11(a)(3). At 9:55 a.m. Commissioner Harper moved to go into closed session, seconded by Commissioner Morris and unanimously carried.

At 10:30 a.m. the Board returned to regular session by motion of Commissioner Morris, seconded by Commissioner Staton and unanimously carried. County Attorney, Sugg, stated that the matter concerning potential litigation had been discussed but no action taken.

#### **COUNTY MANAGER'S REPORT**

##### *TDA Agreement*

County Manager, Harold Blizzard, asked Finance Officer and TDA Board member, Rick Hemphill, to present the agreement for management of the visitors center. Mr. Hemphill stated that it was the same contract as previously executed, which expires on June 30<sup>th</sup>. It is a request for renewal for the three year contract. He advised the Board that the TDA has agreed to hire another part-time person and stated that the only change in the agreement is on page 3, section 2.1, relative to the amount of money being paid to the County from occupancy taxes. Commissioner Allen authorized the Chairman to sign the renewal agreement, seconded by Commissioner Staton and unanimously carried.

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**COMMISSIONERS' REPORTS**

*Commissioner Harper* announced that he had attended a Highway 70 Corridor Transportation meeting in Kinston concerning the by-pass around Kinston. He registered his opposition to a proposed freeway from Global Transpark to US 70, which was also outlined as part of the plans, using corridor funding.

*Commissioner Sampson* reported on a clean up campaign that was held on May 14<sup>th</sup> in which boy scouts from Guilfield Missionary Baptist Church participated. He commended their participation, stating they had done a good job. He also commented on rising gas prices that remain a problem.

*Commissioner Staton* thanked those who worked on the BRAC situation in Craven and Carteret Counties.

*Commissioner Allen* stated that the report on the BRAC was simply a resolution and not a conclusive result.

*Commissioner Morris* indicated that he had also attended the Highway 70 Corridor Transportation meeting in Kinston and added that toll roads were also a subject of discussion.

*Commissioner Brown* commented that the impending loss of over 600 civilian jobs at MCAS Cherry Point appears to be feasible to absorb through attrition and retirement.

At 11:00 a.m. Commissioner Morris moved to recess until 9:00 a.m. on May 19<sup>th</sup>, seconded by Commissioner Staton and unanimously carried.

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Chairman George N. Brown, Jr.  
Craven County Board of Commissioners

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Gwendolyn M. Bryan, Clerk to the Board