

**THE BOARD OF COMMISSIONERS OF THE COUNTY OF CRAVEN
RECONVENED ITS RECESSED SESSION OF MAY 29, 2012 ON JUNE 4, 2012
AT 1:00 P.M. IN THE COMMISSIONERS' ROOM OF THE CRAVEN COUNTY
ADMINISTRATION BUILDING, 406 CRAVEN STREET, NEW BERN, NORTH
CAROLINA. THE PURPOSE OF THE MEETING WAS TO CONDUCT A
BUDGET WORK SESSION.**

MEMBERS PRESENT:

Chairman Lee Kyle Allen
Vice Chairman Scott C. Dacey
Commissioner Thomas F. Mark
Commissioner Theron L. McCabe
Commissioner Johnnie Sampson, Jr.
Commissioner Jefferey S. Taylor
Commissioner Steve Tyson

STAFF PRESENT:

Jack B. Veit III., County Manager
Gene Hodges, Assistant County Manager – Operations/Facilities
Richard F. Hemphill, Assistant County Manager – Finance/Administration
Gwendolyn M. Bryan, Clerk to the Board

The Board continued review of the proposed budget by revisiting the following items:

Promise Place Presentation – Jan Hood, Executive Director, provided an overview of Promise Place services and activities, highlighting the importance of prevention. She stated that the average cost of juvenile incidents is \$14,000 per child. Prevention saves on DSS and law enforcement efforts. She stated that therapy is critical and grant funds help to provide it. The request to the County is for unrestricted funds. Grant dollars are for training and counseling services, but not for administrative purposes. The agency takes calls from the Sheriff's Department, New Bern Police Department and the Department of Social Services. There is no duplicate service in Craven, Pamlico or Jones Counties. The total grant funding is about 90% of their \$300,000 budget, with \$125,000 from federal funds and \$50,000 from the Council on Women in Raleigh. Transitioning to self-sustainability is a goal. Approximately two thirds of clients are children and two thirds of 650 cases last year were from Craven.

Structured Day Reporting Center – Barbara Lee, Executive Director, explained that the agency services adjudicated youth. Most of the funding is from the Juvenile Crime Prevention Council to serve 11-17 year old youth who are suspended or returning from detention. Youth served have serious charges and are from neighborhoods targeted for gang activity. Funding for JCPC is used for staff. She stated that County funds provide services for children, activities for parents and children and enrichment activities with service provider partners. The program is set up to serve 10-15 youth a day, mostly short-term suspensions, who are referred by court counselors, the police department, courts and schools. The recidivism rate is 10% or less, and the success rate is about 85%. A state tracking system is the source of statistics. The recidivism rate is usually a result of drug and gang related activity. The community based alternative defers youth from prison. Ms. Lee affirmed that if JCPC programs were not available the youth targeted would most likely end up in the system.

Merci Clinic - Nancy Alexander, Executive Director, provided an overview of medical primary care, dental and pharmacy services. She stated that donations from charitable arms of pharmaceutical companies amounted to \$4.7M last year. Service was provided for 1,800 distinct, non-duplicated visits and 700 duplicated visits. The monthly average is 375 visits per month at two days per week.

An increase in the requested amount was due to an escalation of services during last year. In the absence of the county funded program, service delivery would be at the hospital. The clinic serves non-Medicaid eligible clients and those below 200% of poverty level who are non-veterans.

Ms. Alexander was of the opinion that FQHC designation for the Health Department is not likely. It is by invitation only, and only two out of 37 applications in North Carolina were approved in the last round. She stated that a look-a-like status provides less funding, but has a rolling application process. In-kind contributions by the hospital include \$30,000 pharmacy buying power from the hospital and blood work done by the hospital.

County Attorney – Jim Hicks explained that all legal staffers at Sumrell Sugg have at least one local government specialty. Recent developments in the N.C. General Statutes have now exposed the Board of Commissioners to individual liability for mistakes, as well as intentional acts. Proposed exceptions to services covered by a flat rate retainer are already outside general legal services budget. He stated that paralegals are used when possible to lower cost and they are built into the proposed rates. The County is not currently being double billed for two attorneys in attendance at meetings, unless they are both there for a specific purpose. Commissioner Dacey inquired about cases where litigation involves a conflict of interest with an attorney at the firm, requiring the County to engage outside counsel at an additional expense. Mr. Hicks stated that he will consider how to equalize this burden in such a case. It was noted that a reduction in hourly rates for non-standard services had been negotiated.

Projected Surplus: \$1.9M (approximately)

The following options for handling the projected end of year surplus were revisited:

- Allow surplus at the end of the year to roll into fund balance
- Place the surplus in the Capital Reserve Fund
- Apply the surplus to School Debt Fund
- Lower the tax rate
- Combination of above options

It was the Board's consensus to apply \$265,128 to reducing the tax rate to \$.47, and to allow the residue to roll into fund balance.

Commissioner Dacey expressed interest in exploring a way to help schools reach goals more quickly, particularly in the area of reading at grade level in 3rd grade.

He noted that six out of 15 elementary schools in the County did not meet standards. He stated that a program has been identified at a cost of \$120,000 for enhancement of reading skills. He asked if the Board would consider making up to \$60,000 available if the school board would be interested in matching it. It was that consensus of the Board that this approach is premature at this time.

EDC – It was the consensus to allow an appropriation of \$150,000 for Economic Development, with approximately \$108,000 remaining after pay-outs, to current EDC staff at the end of June.

County Attorney – It was the consensus to adopt the County Attorney's proposal for a flat legal fee of \$228,000 annually, and an hourly rate for excepted services.

Special Appropriations – It was the consensus of the Board that the following special appropriations be distributed:

- | | |
|----------------------|----------|
| • Promise Place | \$20,000 |
| • Area Day Reporting | \$7,500 |
| • Merci Clinic | \$25,000 |

The total of recommended Special Appropriations is \$91,000 plus Beaver Management and Forest Service, equaling \$235,000. This reflects a decrease from current budget, which is \$275,000.

Mr. Veit announced that Health Director, Scott Harrelson, agreed to take \$2,300 out of Health Board members pay and apply it to meeting expense for lunch meals.

Commissioner Dacey recommended that \$10,000 be budgeted for outside counsel relative to research on hospital matters to avoid county attorney conflicting activities. The Board's consensus was to allow this allocation.

FQHC – It was the consensus of the Board to table this decision until a later date.

Township 3 Fire Departments – Commissioner Dacey proposed agreeing to fund the requested grant match in the amount of \$18,000 total as a loan, contingent upon their agreement for reorganization. The loan would be re-paid after the reorganization. It was pointed out that the Commissioners could not mandate reorganization. It was the consensus of the Board that no rate increase be made and to maintain the present use value.

The Chairman stated that no action will be taken and no grants distributed. If Twp. 3 Fire Departments choose to come before the Board at a later date to plead their case, they may do so.

At 4:40 p.m. the Chairman declared the meeting adjourned.

Chairman Lee Kyle Allen
Craven County Board of Commissioners

Gwendolyn M. Bryan
Clerk to the Board