

**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 21, 2012. THE MEETING CONVENED AT 8:30 A.M.**

**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
- Jim Hicks, County Attorney
- Aaron Arnette, County Attorney Associate

Following the Pledge of Allegiance, the Chairman called for any correction to the minutes. There being none, the minutes of May 7, 2012 regular session and May 14, 2012 reconvened session were accepted, as presented.

**FINANCE MATTERS**

*Budget Amendments and Ordinance Updates*

Assistant County Manager of Finance/Administration, Rick Hemphill, presented the following budget amendments and ordinance updates for the Board’s approval. Commissioner Mark moved for their approval, as presented, seconded by Commissioner McCabe and unanimously carried in a roll call vote.

***DSS 7291 Mandated/DSS 7231 TANF***

<b>REVENUES</b>	<b>AMOUNT</b>	<b>EXPENDITURES</b>	<b>AMOUNT</b>
101-7291-349-16-00 Day Care Smart Start	\$ 33,520.00	101-7291-450-39-17 Day Care Smart Start	\$ 33,520.00
101-7291-349-10-00 Day Care Combined	\$(184,852.00)	101-7291-450-39-26 Day Care Combined	\$(184,852.00)
101-7231-349-26-00 CCDF Admin	\$ 26,655.00		
101-00-399-01-0 Fund Balance	\$ (26,655.00)		
<b>TOTAL</b>	<b>\$(151,332.00)</b>	<b>TOTAL</b>	<b>\$151,332.00)</b>

**Justification:** Funding authorization from the Division of Child Development; adjusting budget for Regular Subsidy Day Care funding, which is less than original budget estimates but does include an additional \$85,000 to be awarded via funding authorization in June, and Regular Subsidy Admin funding which is more than the original budget estimates. Also adjusting Smart Start Day Care funding budget which is more than original budget estimates. There is no County match required.

**Health**

101-5700-375-01-00	\$ 64,666.00	101-5700-440-97-02	\$ 64,666.00
Maternity Med max		Maternity Transfer Reserve	
101-5800-375-01-00	\$113,449.00	101-5800-440-97-02	\$113,449.00
Child Health Med Max		child Health Transfer Reserve	
101-6612-375-01-00	\$ 35,766.00	101-6612-440-97-02	\$ 35,766.00
Adult Prm Cr Med Max		Adult Prm Transfer Reserve	

JOURNAL ENTRY

101-5700-440-97-02	\$ 64,666.00	101-0000-101-00-00	\$213,881.00
Maternity Transfer Reserve		General Fund Cash	
101-5800-440-97-02	\$113,449.00		
Child Health Transfer Reserve			
101-6612-440-97-02	\$ 35,766.00		
Adult Prm Transfer Reserve			
371-0000-101-00-00	\$213,881.00	371-0000-366-01-00	\$213,881.00
County Reserve Cash		From General Fund	
TOTAL	\$641,643.00	TOTAL	\$641,643.00

**Justification:** To increase budget for more Medicaid Maximization. Transfer to Capital Reserve for next year capital needs.

**Child Health & Maternity**

101-5800-349-05-00	\$ 2,610.00	101-5800-440-25-00	\$ 2,610.00
Child Health – State		Travel/Training	
101-5700-349-14-00	\$ 2,610.00	101-5700-440-25-00	\$ 2,610.00
Maternity – State		Travel/Training	
TOTAL	\$ 5,220.00	TOTAL	\$ 5,220.00

**Justification:** Additional State funds awarded to support Motivational Interviewing (MI) training. Funding will be used to cover the registration cost of each MI application. The fee is a one-time payment that will cover the entire year of training. MI training focuses on exploring and resolving ambivalence and centers on motivational processes within the individual to facilitate change and is appropriate for all staff who engage in direct-client services.

**Economic Development**

101-4401-367-35-00	\$11,700.00	101-4401-430-33-36	\$11,700.00
NC’s Eastern Region		Flex – Cap Regional Gr	
TOTAL	\$11,700.00	TOTAL	\$11,700.00

**Justification:** Received \$11,700 from North Carolina’s Eastern Region. Instructed to disburse to Hatteras Yachts as portion of Flex-Cap Regional Grant for Hatteras Yachts/CABO consolidation project.

**Register of Deeds**

101-1001-357-06-01	\$ 3,000.00	101-1001-400-11-13	\$ 3,000.00
Deed of Trust Fee		ROD Supplemental Pension	
TOTAL	\$ 3,000.00	TOTAL	\$ 3,000.00

**Justification:** To cover shortage in Supplemental Pension.



**Budget Ordinances**

**EOC/911 Renovation  
Fund 367**

This ordinance is hereby amended in the following amounts for expenditures to the EOC/911 Renovation Project.

Expenditures:

Capital Outlay over \$5,000	\$ 50,000.00
Architect	\$ 44,699.00
Construction	\$403,261.00
Demolition	\$ 63,311.00
Contingency	\$ 70,217.00
<b>TOTAL</b>	<b>\$631,488.00</b>

The following revenues are hereby amended for the EOC/911 Renovation Project.

Revenue:

From E911 Fund	\$ 52,149.00
From Capital Reserve Fund	\$238,394.00
From General Fund	\$340,945.00
<b>TOTAL</b>	<b>\$631,488.00</b>

This ordinance is hereby approved this 21<sup>st</sup> day of May, 2012.

**CDBG FY 09 Scattered Sites  
Fund 274**

This ordinance is hereby amended in the following amounts for expenditures for the CDBG FY 09 Scattered Sites.

Expenditures:

Clearance	\$ 14,000.00
Relocation	\$251,000.00
Rehabilitation	\$183,000.00
Administration	\$ 45,000.00
Preliminary Planning	\$ 7,000.00
<b>TOTAL</b>	<b>\$500,000.00</b>

The following revenues are hereby approved for the CDGB FY 09 Scattered Sites.

Revenues:

CDBG Grant	\$500,000.00
<b>TOTAL</b>	<b>\$500,000.00</b>

This ordinance is hereby amended this 21<sup>st</sup> day of May, 2012.

*McGladrey & Pullen Planning Letter*

Lou Cannon of McGladrey and Pullen, LLP presented the Planning Letter for the upcoming external audit to the County Commissioners in order to keep those charged with governance adequately informed about matters related to the financial statement audit. The letter addressed McGladrey and Pullen, LLP’s responsibilities, in addition to

an overview of the planned scope and timing of the audit. The auditors are required to communicate directly with the Board. Commissioners asked that they be provided with a copy of the Annual Financial Report in advance of it being presented, for their review. If this is not possible, they will request that he return to the meeting following the presentation to address questions.

### TAX RELEASES AND REFUNDS

Craven County Tax Administrator, Ronnie Antry, presented the following requests for tax releases and refunds. Commissioner Sampson moved for their approval, seconded by Commissioner McCabe and unanimously carried in a roll call vote.

#### *Credits*

TAXPAYER NAME	TICKET#	AMOUNT
BRINSON, AUDREY NOT IN BUSINESS 1/1/2011	2011-0090308	\$13.96
CHURCH-PLEASANT ACRES FWB BY T DWELLING TORN DOWN 2006	2011-0010630	\$37.80
COLEY, TOINETTE MAE NOT IN BUSINESS 1/1/2003	2003-0090328	\$70.97
GULFSTREAM YACHT SERVICE INC DID NOT OWN 1/1/2011	2011-0090599	\$57.03
HALL, JIMMY WALTER DOUBLE BILLED – SEE ACCT 52329	2005-0090373	\$533.84
HUTCHINS, MAI LEE DOUBLE BILLED – SEE ACCT 67552	2010-0025988	\$55.79
HUTCHINS, MAI LEE DOUBLE BILLED – SEE ACCT 67552	2010-0090247	\$258.13
HUTCHINS, MAI LEE DOUBLE BILLED – SEE ACCT 67552	2011-0028779	\$50.71
JARVIS, ERIC SHANE DID NOT OWN 1/1/2011	2011-0029715	\$44.98
JONES, KENNIE & CONNIE DID NOT OWN 1/1/2011	2011-0090713	\$283.64
JULIAN, JOHN E & AUDREY E DID NOT OWN BOAT 1/1/2011	2011-0031350	\$58.37
KERR, PAUL D DID NOT OWN 1/1/2011	2011-0031867	\$78.52
KOCH, JAMES DID NOT OWN 1/1/2011	2011-0032673	\$19.43
LILLY, TOM DOUBLE BILLED – SEE ACCT 84333	2010-0031224	\$125.59
LILLY, TOM DOUBLE BILLED – SEE ACCT 84333	2011-0034749	\$109.81

MAGUIRE, JOHN R & JENNIFER G DID NOT OWN 1/1/2009	2009-0035624	\$21.73
MAGUIRE, JOHN R & JENNIFER G DID NOT OWN 1/1/2010	2010-00032466	\$13.88
MAGUIRE, JOHN R & JENNIFER G DID NOT OWN 1/1/2011	2011-0036154	\$12.84
MAGUIRE, JOHN R & JENNIFER G DID NOT OWN 1/1/2008	2008-0090603	\$23.46
MILLS, MICHAEL E DID NOT OWN 1/1/2010	2010-0035567	\$18.75
MILLS, MICHAEL E DID NOT OWN 1/1/2011	2011-0039595	\$18.57
MORA, VINCENTE DOUBLE BILLED - SEE ACCT 89167	2011-0040749	\$41.53
MORRIS, DERWIN C & MONEKA M DOUBLE BILLED – SAME ACCOUNT	2011-0041001	\$251.72
MURDOCK, CHARLES D IV DID NOT OWN 1/1/2010	2010-0037234	\$934.92
MURDOCK, CHARLES D IV DID NOT NOW 1/1/2011	2011-0041502	818.05
QUINN, BECKY F DID NOT OWN 1/1/2011	2011-0047092	\$177.03
ROBLES, NEPTALI ANALA & CARMEN DID NOT OWN 1/1/2011	2011-0049156	\$144.18
SYKES, TERRY M & STRADER, TERE DID NOT OWN 1/1/2011	2011-0055630	\$20.49
THE GYM 24-7 DID NOT OWN 1/1/2011	2011-0091213	\$566.54
WOOTEN, ROGER BRUCE & DELORIS DOUBLE LISTED – SEE 8193300	2012-0090063	\$121.51
	30 – CREDIT MEMO (S)	\$4,983.77
<b><i>Refunds</i></b>		
CHURCH-PLEASANT ACRES FWB BY T2007-0010138 DWELLING DESTROYED IN 2006		\$36.00
CHURCH –PLEASANT ACRES FWB BY T2008-0010479 DWELLING DESTROYED IN 2006		\$36.00
CHURCH –PLEASANT ACRES FWB BY T2009-0010454 DWELLING DESTROYED IN 2006		\$36.00
CHURCH –PLEASANT ACRES FWB BY T2010-0009668 DWELLING DESTROYED IN 2006		\$36.00

JONES, KENNIE & CONNIE DID NOT OWN 1/1/2010	2010-0027839	\$292.42
JONES, KENNIE & CONNIE DID NOT OWN 1/1/2009	2009-0090606	\$341.38
JONES, KENNIE & CONNIE DID NOT OWN 1/1/2008	2008-0090542	\$332.11
JONES, KENNIE & CONNIE DID NOT OWN 1/1/2007	2007-0090603	\$345.74
JONES, KENNIE & CONNIE DID NOT OWN 1/1/2006	2006-0090493	\$341.61
MCCULLOUGH, PATRICK OWEN & TAM DOUBLE BILLED SEE ACCT 4772290	2011-0037929	\$9.16
10 – REFUND (S)		\$1,806.42

**TAKE-A-KID-FISHING FOUNDATION RELEASE**

Craven County Department of Social Services requested that the Chairman be authorized to execute a release to facilitate participation in the “Take a Kid Fishing” program, as previously done as a routine matter. Commissioner Mark moved to authorize the Chairman to sign the release, seconded by Commissioner McCabe and unanimously carried.

**REQUEST FOR HEALTH FEE ADJUSTMENT**

Health Director, Scott Harrelson, requested the following fee increases due to an increase in the Medicaid reimbursement rate.

<u>Procedure Code/Descrip</u>	<u>Current Rate</u>	<u>Medicaid Reimbursement Rate</u>	<u>Propose Rate</u>
J7303FP/Mirena Intra uterine device; long acting contraceptive lasting up to five years	\$478.00	\$745.23	\$746.00
J7307FP/Implanon Long acting contraceptive device that is implanted under the skin, lasting three years	\$578.00	\$698.99	\$700.00

Commissioner Dacey inquired as to the reason for the increase. Mr. Harrelson responded that the justification for the Medicaid reimbursement rate increase is to provide an incentive for use of these methods by the private sector. He explained that the cost of the products to the private sector is significantly greater than for the Health Department, leaving a very narrow profit margin with the old fees.

Commissioner Dacey stated that he is voting for the fee adjustment, although not in favor of the rate increase, because it is something being passed along. He concluded that the fight needs to be waged at the appropriate level of government.

Commissioner Sampson moved to approve the health fee increases, as requested, seconded by Commissioner McCabe and unanimously carried.

**HIGHWAY 17 ASSOCIATION REPORT**

Marc Finlayson, Executive Director of Highway 17 Association, presented the agency’s routine update to the Board. He referenced an Economic Impact Study designed to show what eastern North Carolina should look like when the Highway 17 improvement program is completed. There was discussion concerning the distinction between the Highway 17 Association impact study and one initiated by the Military Growth Task Force/Plan-it East. Mr. Finlayson responded that the Highway 17 impact study has a

different focus than the other study and is more comprehensive. He has agreed to provide any relevant data from his study to Plan-it East.

He stated that he is anticipating some shifting in traffic from Interstate 95 to Highway 17 as a North-South corridor alternative, especially as the condition of Interstate 95 deteriorates, and with the possibility of tolls being initiated.

Mr. Finlayson asserted that eastern North Carolina needs to fight to protect the current equity formula for distribution of transportation funds. If the equity formula changes to a population basis, approximately \$300 Million will leave eastern North Carolina and distributed to the large urban centers.

Commissioner Mark requested that the Board invite Mr. Finlayson back to discuss the equity formulas in more detail, and the County Manager was asked to arrange it.

Mr. Finlayson reported that the Association is currently receiving funds from 10 of the 13 participating counties and, in the past, has received funding from 12 of 13. New Hanover County is the only participating county that has never supported the initiative financially. Commissioners expressed displeasure with a county deriving benefit without sharing the burden and contemplated reaching out to the New Hanover Board of Commissioners. Mr. Finlayson stated that he has done so on numerous occasions, to no avail.

### **TRASH STICKER PRICE RECOMMENDATION**

The Board was requested to set the sticker price for Fiscal Year 2012-2013. A sticker price reduction from \$2.50 to \$2.25 per sticker was recommended.

Commissioner Allen inquired if the old stickers will still be accepted since they are higher priced. Assistant County Manager, Gene Hodges, responded that the old stickers will still be honored and that existing haulers have until the 2<sup>nd</sup> Thursday in July to redeem stickers. Commissioner Mark moved to approve the trash sticker price recommendation, as presented, seconded by Commissioner Taylor and unanimously carried.

During discussion, Commissioner McCabe inquired if a Harlowe site can be provided for sticker sales. Solid Waste Director, Rusty Cotton, responded that there are limited facilities in the area. Currently, Nadine's Convenience Store on Highway 101 near the Carteret County line and Cherry Branch Home Owner's Association sell stickers; however, the HOA only sells to residents. In addition, stickers can be ordered by mail.

Commissioner Mark commented on a problem with a hauler not picking up last week in Fairfield Harbor. He stated that Mr. Cotton handled the situation very well and citizens were pleased.

### **PLANNING MATTERS**

#### *Request to Set Public Hearing*

The Planning Department requested that a public hearing be set for Monday, June 4, 2012 at 7:00 p.m. to receive public comment regarding the establishment of food sales of ice cream at 817 Airport Road within the Airport Zone. Commissioner Tyson moved to set a public hearing for June 4, 2012, as requested, seconded by Commissioner Mark and unanimously carried.

#### *Road Addition Requests*

The Board was requested to adopt the Standard SR-2 Road Addition Resolutions for the following roads to be turned over to the State of North Carolina for maintenance.

- Apple Drive located in 306 Estates in Township 5
- Harvest Boulevard & Grist Mill Drive located in Heritage Farms Section 2A Township 5

- Satterfield Drive in the Satterfield Subdivision located in Township 7

Commissioner McCabe moved to adopt the standard SR2 Road Addition Resolutions, seconded by Commissioner Tyson and unanimously carried.

Commissioner Tyson stated that Satterfield Subdivision has had some issues on drainage that remain unresolved.

Commissioner Taylor stated that there are roads in the western part of the County that need state maintenance. He was asked to forward the road names to Planning Director, Don Baumgardner.

### **CRAVEN COMMUNITY CHILD PROTECTION TEAM ANNUAL REPORT**

Terry Brubaker, Program Coordinator for the Craven County Community Child Protection Team, presented the annual report as required by law. She asked the Commissioners to consider appointments to the team, and adoption of a water safety ordinance.

Ms. Brubaker explained that these matters should have been presented to the Board in the past. She stated that the program is supported through Social Services. No state money is received.

The Board received the information on the Craven Community Child Protection Team, and indicated they would take up appointments during consideration of the next agenda item.

### **APPOINTMENTS**

By consensus of the Board, appointments to the following committees were deferred:

- Craven County Clean Sweep Committee
- Industrial Facilities Pollution Control Financing Authority
- Agricultural Advisory Committee
- Craven-Pamlico-Carteret Regional Library
- Regional Aging Advisory Committee

*Emergency Medical Services Advisory Council.*

Commissioner Mark nominated Jonathan Stephens and Keith Morris to replace Gary Smith and Tim Wetherington on the EMS Advisory Council. There being no additional nominees, Mr. Stephens and Mr. Morris were appointed by acclamation.

*Nursing Home Advisory Committee*

Commissioner Mark nominated Cheryl Stephenson for appointment to the Nursing Home Advisory Committee. There being no additional nominees, Ms. Stephenson was appointed by acclamation.

*Eastern Carolina Workforce Development Board*

It was the consensus of the Board to defer these appointments.

*Board of Equalization and Review*

Commissioner Mark nominated Joe Fogelman to replace Bob Saggio on the Board of Equalization and Review. There being no additional nominees, Mr. Fogelman was appointed by acclamation.

*Craven County Community Child Protection Team*

Commissioner Dacey nominated Nadia Anderson, Terry Morgan and Dorothy Cumisky for appointment to the Craven County Child Protection Team. The appointment of Ms. Cumisky is contingent upon there being no objection to her residing outside the County. There being no additional nominees, Ms. Anderson, Ms. Morgan and Ms. Cumisky were all appointed by acclamation.

*Upcoming Appointments*

The Board was apprised of the following upcoming appointments for vacancies on boards and committees in June and July.

**June**

- ABC Board
- Eastern Carolina Council of Governments
- Economic Development Commission
- Recreation Advisory Committee
- Coastal Carolina Airport Authority
- Tourism Development Authority

**July**

- Fire Tax commissioner, Twp. 7
- River Bend Planning Board, Extraterritorial

**COUNTY ATTORNEY’S REPORT: AMENDMENT TO NOISE ORDINANCE**

In order that the County retain all civil penalties received under the Code of Ordinances, the County amended its Code of Ordinances to expressly state that violations of its provisions were not subject to criminal penalty (Class 3 Misdemeanor), unless otherwise provided.

County Attorney, Jim Hicks, recommended that the Noise Ordinance portion of the Code of Ordinances be amended, as follows, to allow for criminal penalties, and providing broader enforcement options for the Sheriff.

AN ORDINANCE TO AMEND  
CHAPTER 24 (“NUISANCES”)  
ARTICLE II (“NOISE CONTROL”)  
OF THE  
CRAVEN COUNTY  
CODE OF ORDINANCES

BE IT ORDAINED by the Craven County Board of Commissioners as follows:

1. That a new Section 24-24 (“Penalties”), be added to the Craven County Code of Ordinances, to read as follows:

**In addition to those penalties set forth in Sections 1.11 and 1.12 of the Code of Ordinances, violations of the provisions of this Article II, or failure to comply with any of its requirements, shall constitute a misdemeanor as provided in N.C.G.S. Section 14-4.**

2. This Ordinance is adopted and effective this 21<sup>st</sup> day of May, 2012.

Commissioner Mark moved to approve the amendment to the Noise Ordinance, seconded by Commissioner Tyson. During discussion, Commissioner Dacey inquired of the possibility of setting a public hearing at the next meeting, although one is not required, to alert the public of the changes. Commissioner Sampson moved to set a public hearing for

June 4, 2012, at 7:00 p.m., seconded by Commissioner McCabe and unanimously carried. Adoption of the amendment to the ordinance was deferred until after the public hearing.

Mr. Hicks presented Tyker Gonzalez to the Board to express concerns regarding the County's VAD Ordinance. She was directed to put her request in writing to the County Manager.

### COUNTY MANAGER'S REPORT

#### *Symphony Resolution*

County Manager Jack Veit, presented the following resolution. Commissioner Mark moved for its adoption, as presented, seconded by Commissioner Dacey and unanimously carried.

### RESOLUTION RECOGNIZING AND SALUTING THE NORTH CAROLINA SYMPHONY

**Whereas**, North Carolina has long been recognized for rich traditions in the arts, with its robust arts industry which contributes significantly to the state's economy; and

**Whereas**, founded in 1932 and subsequently the first state-supported symphony in the country, the North Carolina Symphony is a vital and honored component of North Carolina's cultural life; and

**Whereas**, Craven County was established in 1712, and its county seat, New Bern, grew in size and importance during the mid 18<sup>th</sup> century, flourishing in cultural sophistication as well as business dominance, and was known as the cultural center of North Carolina; and

**Whereas**, the 20<sup>th</sup> century brought developments, making Craven County a preferred retirement destination for legions representing every region of the country, who find its amenities and quality of life to be desirable; and

**Whereas**, the North Carolina Symphony has been devoted to bringing music to the entire state of North Carolina, and as a result, Craven County's quality of life has been further enhanced through the Symphony's annual concert series in New Bern and its extensive education program, with approximately 45 concerts per year performed free for school children across the state.

**NOW, THEREFORE**, in light of the 2012 observance of the North Carolina Symphony's 80<sup>th</sup> Anniversary which is occurring simultaneously with the observance of Craven County's 300<sup>th</sup> Anniversary, and in recognition of the long tradition in the cultural arts shared by Craven County and the North Carolina Symphony, the Craven County Board of Commissioners congratulates the North Carolina Symphony on its successes and achievements over these 80 years.

**BE IT RESOLVED** that the Craven County Board of Commissioners, on behalf of the citizens of Craven County, expresses its appreciation to the North Carolina Symphony for its contributions to this community.

Adopted this 21<sup>st</sup> day of May, 2012.

#### *FY 2012-13 Proposed Budget*

Mr. Veit presented to the Board the proposed budget for FY 2012-13 with the following summary:

Mr. Chairman and Members of the Board of Commissioners:

I respectfully submit for your consideration the recommended fiscal year 2013 budget for Craven County. The proposed budget is balanced and it is recommended that the ad valorem tax rate for the fiscal year 2013 remain the same as the current year at 47.28 cents per \$100 of valuation. The recommended general fund budget of \$94,063,000 is 3.2% less than the current budget. The budget includes a fund balance appropriation of \$171,000 to balance the budget. Craven County's available fund balance was 23.82% of expenditures at June 30, 2011 while other counties with over 100,000 in population had fund balances averaging 22.01% and all counties averaged 23.40%. Appropriating fund balance in the original budget does not necessarily mean it will be used. Higher than expected revenues and/or lower than expected expenditures can result in appropriated fund balance not being required.

Revenues for the first ten months of the current year are in line with the budget and expenditures are running approximately 6% less than the budgeted amount. In fiscal 2011 the County finished the year adding approximately \$600,000 to the fund balance. If the remaining two months is consistent with the first ten we should have an addition to fund balance again in fiscal 2012.

The current actual assessed value for fiscal 2012 is approximately \$9.62 billion, which is the amount that was used in the fiscal 2012 budget. Total property valuation is estimated at \$9.67 billion for fiscal 2013. This estimate reflects growth in the past year of only \$50 million. Property tax revenue budgeted for fiscal year 2013 is \$200,000 more than the current budget, primarily due to an estimated increase in motor vehicle values.

Other significant items in the recommended budget are as follows beginning with revenues and then expenditures.

- 1) Sales tax revenue is budgeted based on a 5% increase over actual receipts for the previous twelve months. The first eight months of sales tax receipts for fiscal 2012 are 7.9% higher than the amount received for the same period in fiscal 2011.
- 2) An increase in revenue for the jail is projected as a result of housing misdemeanants from other counties and federal inmates. Currently there are 20 inmates from other counties housed in Craven County's jail as a result of the misdemeanor program implemented by the State January 1, 2012. Based on this number, revenue of approximately \$300,000 could be generated in a year. The rate paid by the Federal government for housing their inmates was re-negotiated this past year and resulted in an increase from \$40 to \$52.
- 3) Revenue for building inspections is recommended to increase by approximately 20% due to an increased demand and a proposed 10% increase in the fee charged. Even with a 10% increase in fees, Craven County will be lower than most surrounding entities for a building permit.
- 4) Revenues for the convention center are projected to be higher due to the planned take-over of the sale of alcohol from the preferred caterers. This was done at the requests of several current caterers. Many other convention centers provide this service including the Tourist Center in Havelock. It will provide an additional revenue source for the Convention Center.
- 5) Total salaries and benefits in the recommended budget are proposed to increase by \$445,000 or 1.3% over the current budget of fiscal 2012. This increase of 1.3% includes a recommended 3% salary adjustment for all eligible County employees. County employees have not had a cost of living adjustment in the past three fiscal years. In the current fiscal year

the County abolished 12 full time and one part time position and froze two additional positions. Ten of the positions abolished were in the Department of Social Services and were a direct result of a cut in TANF administration funds by the Federal government. There are currently 15 full and 3 part time positions that are frozen and unfunded in the proposed budget. There are six new positions recommended in the proposed budget. They are: an additional appraiser to assist with the shortened revaluation cycle; an additional deputy for the Sheriff to allow the expansion of the Electronic Monitoring Program; the upgrade of a part time maintenance technician to a full time position (eliminating the part time position); an additional telecommunicator to allow the E-911 center additional coverage and to convert from a 12 hour shift to an eight hour shift; a food and beverage supervisor at the Convention Center as a result of taking over the sale of alcohol; and a purchasing agent which has been discussed for many years. We believe the County has grown to the point where the purchasing agent position is greatly needed to allow us to centralize the purchasing function, prepare and oversee all requests for proposals, bids and contracts.

- 6) For the fourth consecutive year, health insurance and dental insurance premiums are being maintained at the same amount as the current year even though medical costs continue to increase. The County changed third party administrators in fiscal 2012 and was able to reduce the costs of administering the plan. We are seeing continued effects of the Patient Protection Affordability Care Act in our health plan. We currently have a \$1 million individual lifetime benefit. Our administrator has informed us that we must change this to provide a \$1.25 million benefit per individual per year.
- 7) Travel and training expenditures have been reduced by 19% overall in the County from the current budget. Vehicle expense has been cut by 6% and supply budgets are 4% lower than the currently budget.
- 8) Expenditures for social services programs are reduced by 18% in the proposed budget compared to the current budget. Much of this reduction is in subsidized child care and energy assistance programs which may increase during the year as additional funding becomes available.
- 9) Contractual services are budgeted at \$80,000 less than the current budget, almost entirely as a result from lower cost for the collection of solid waste due to the new contract with a single hauler. Contractual costs are up in the elections department due to the general election in November and the second primary in July 2012.
- 10) Property and liability insurance costs are up approximately 22% due to two factors. A minimal rate increase from the County Commissioner Risk Pool and a re-appraisal of County facilities. The insurance carrier had not updated the building values since 2003.
- 11) Capital outlay is down by \$410,000 from the current budget, primarily as a result of lower requests by the Health Department, CARTS, and the Convention Center. There are no large items recommended other than the Sheriff and CARTS vehicle replacements. A transfer of \$308,000 is budgeted from the County's Capital Reserve Fund to cover some of the capital items.
- 12) Funding for rescue squads is proposed to increase to cover the higher costs of paid staff for the providers. The payment to each squad for operating costs is recommended to increase from \$170,000 to \$185,000.
- 13) Funding for public schools is proposed to increase by the requested amount of \$648,650 to fund the increase in retirement and health

insurance as well as to provide for an additional \$100 supplement to teachers. The increase in capital outlay is not recommended. Capital is recommended to stay at \$700,000. The transfer to the debt service fund to cover the shortage in the payments due next fiscal year is proposed to be \$880,000. This is an increase of \$385,000 over the amount budgeted this fiscal year to cover the shortage caused by the State taking the ADM funds as well as a portion of the lottery funds.

- 14) The Community College funding is proposed to increase by \$90,000 for the upcoming year. Current expense is recommended to remain the same, as was requested, and capital outlay is recommended to increase by \$90,000 to provide the funds for roofing Orringer Hall as was agreed to last year.

The recommended budget is one of maintenance. All programs and departments were closely reviewed for items which could be eliminated or reduced. No programs or services are expanded and one program was eliminated in the recommended budget. The CDC grant for the Lead Program will not be renewed in fiscal year 2013 so the associated cost of that program was removed from the budget. Total expenditures of the County's General Fund are recommended to be \$94,063,341, which is \$3,135,905 less than the current budget of \$97,199,246, a 3.2 percent decrease. Excluding the \$2 million of expenditures in the current budget for Hurricane Irene, the proposed budget is lower by 1.2 percent.

We are not aware of any action which may be taken by the General Assembly in the short session which may impact the County's budget. It is expected that the County will not receive ADM funding for fiscal year 2013 and that the amount of lottery funds will again be reduced for 2013. The County has not received ADM funds of approximately \$1 million since fiscal 2009. We do not anticipate those funds ever being restored to the State budget. As a result, the County will have to continue funding a deficit in the Debt Service Fund out of the annual operating budgets. This deficit will continue until 2016, assuming the lottery funds are reduced for only 2012 and 2013. If the lottery funds are not restored in 2014 the deficit will continue beyond 2016 and be in the range of \$1.3 to \$1.6 million per year. It is imperative that the State restore the lottery funding to the original plan passed by the legislature.

I wish to commend the department heads, staff and agencies for their cooperation and valuable assistance in this very difficult process. I look forward to working with the Board of Commissioners in finalizing this budget for next year. The recommended budget shall be immediately available for public inspection. I recommend the Board schedule a public hearing at 7:00 PM on June 4, 2012 and conduct budget study sessions between now and that time.

Respectfully submitted,

Jack Veit  
Craven County Manager  
May 21, 2012

The Board considered conducting work sessions on May 23, 24 and 25. Commissioner Taylor indicated that he would not be available on those dates due to work commitments and stated the following areas of concern:

Sheriff  
Libraries  
EDC  
Fire Departments  
Special Appropriations

The Board agreed to by-pass these areas until Commissioner Taylor can join in budget work session meetings.

*Budget Work Sessions*

It was the consensus of the Board that the following dates and times be scheduled for budget work sessions:

- Wednesday May, 23, 2012 8:30 a.m. - until (Commissioner Taylor available at 5:00 p.m.)
- Tuesday May 29, 2012 8:30 a.m. - until (Commissioner Sampson will not be present)
- Monday June 4, 2012 8:30 a.m. - until (wrap-up, if necessary)

**COMMISSIONERS' REPORTS**

*Commissioner Mark* announced a Town Hall meeting on June 20 at 6:00 p.m. at Precinct 2.

*Vice Chairman Dacey* announced a Town Hall meeting on May 24 at 3:00 p.m. in the Commissioners' Room.

At 11:55 a.m. the Board was recessed to reconvene at Cooperative Extension.

At 12:30 p.m. the Board reconvened at Cooperative Extension to receive the annual program reports.

At 1:50 p.m. the Board recessed to reconvene on May 23 at 8:30 a.m.

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Chairman Lee Kyle Allen  
Craven County Board of Commissioners

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Gwendolyn M. Bryan  
Clerk to the Board