

**AGENDA
CRAVEN COUNTY BOARD OF COMMISSIONERS
REGULAR SESSION
MONDAY, MAY 19, 2014
8:30 A.M.**

CALL TO ORDER

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

APPROVE MINUTES OF MAY 5, 2014 REGULAR SESSION

DEPARTMENTAL MATTERS

1. ECONOMIC DEVELOPMENT – UPDATE: Timothy Downs, Economic Development Director
2. TAX – RELEASES AND REFUNDS: Ronnie Antry, Tax Administrator
3. SOCIAL SERVICES – BUDGET AMENDMENT: Alfreda Stout, Assistant Social Services Director
4. HEALTH – BUDGET AMENDMENT: Scott Harrelson, Health Director
5. PLANNING – ROAD MAINTENANCE WARRANTY UPDATE: Don Baumgardner, Planning Director
6. APPOINTMENTS
7. COUNTY ATTORNEY'S REPORT: Jim Hicks
8. PRESENTATION OF RECOMMENDED 2015 COUNTY BUDGET: Jack Veit, County Manager
9. COMMISSIONERS' REPORTS
10. CLOSED SESSION

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 19, 2014. THE MEETING CONVENED AT 8:30 A.M.

MEMBERS PRESENT:

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

STAFF PRESENT:

- Jack B. Veit III, County Manager
- Gene Hodges, Assistant County Manager – Operations/Facilities
- Rick Hemphill, Assistant County Manager – Finance/Administration
- Amber Parker, Human Resources Director
- Gwendolyn M. Bryan, Clerk to the Board
- Jim Hicks, County Attorney

Following an invocation by Commissioner Allen and the Pledge of Allegiance, Commissioner Taylor requested to reverse the order of item #1 and item #2 on the agenda in order to consider tax releases and refunds first.

Commissioner Dacey moved to approve the minutes of May 5, 2014 regular session, with a correction to line 28 in reference to the spelling of “Dacey,” seconded by Commissioner Allen and unanimously carried as corrected.

DEPARTMENTAL MATTERS: TAX – RELEASES AND REFUNDS

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

Credits

TAXPAYER NAME	TICKET#	AMOUNT
HERNANDEZ, JOSE DID NOT OWN 1/1/2006	2006-0091199	\$7.35
HERNANDEZ, JOSE DID NOT OWN 1/1/2007	2007-0025807	\$7.14
HERNANDEZ, JOSE DID NOT OWN 1/1/2008	2008-0026251	\$6.46
HERNANDEZ, JOSE DID NOT OWN 1/1/2009	2009-0026320	\$15.01
HERNANDEZ, JOSE DID NOT OWN 1/1/2010	2010-0023995	\$10.86
PURCELL, DAVID DID NOT OWN 1/1/2013	2013-0093120	\$22.94
ROBBINS, SHIRD E JR & LAURA DOUBLE BILLED – SEE SAME ACCT NUMBER	2013-0093208	\$142.59

RODRIGUEZ, ANGELICA DID NOT OWN 1/1/2014	2014-0090075	\$82.26
SCHUMACHER, CHARLES ERIC RELEASED TO WARREN COUNTY	2008-0091530	\$67.82
SCHUMACHER, CHARLES ERIC RELEASED TO WARREN COUNTY	2011-0050956	\$60.61
SCHUMACHER, CHARLES ERIC RELEASED TO WARREN COUNTY	2012-0050909	\$49.13
SCHUMACHER, CHARLES ERIC RELEASED TO WARREN COUNTY	2013-0093361	\$30.38
TOLER, CECIL HAYWOOD QUALIFIED FOR PRESENT USE VALUE	2014-0090081	\$1,319.57
TOLER, CECIL HAYWOOD QUALIFIED FOR PRESENT USE VALUE	2014-0090080	\$974.68
TOLER, CECIL HAYWOOD QUALIFIED FOR PRSENT USE VALUE	2014-0090079	\$659.69
TOLER, HAYWOOD CARL – EXECUTOR QUALIFIED FOR PRESENT USE VALUE	2014-0090084	\$151.25
TOLER, HAYWOOD CARL – EXECUTOR QUALIFIED FOR PRESENT USE VALUE	2014-0090085	\$243.88
TOLER, HAYWOOD CARL – EXECUTOR QUALIFIED FOR PRESENT USE VALUE	2014-0090086	\$324.39
UNIQUE PROPERTIES BY NEIL LLC DID NOT OWN 1-1-2013	2013-0095332	\$42.92
ZEIDAN, MUNADEL M SITUS IN PAMLICO COUNTY	2013-0093934	\$70.14
	20 – CREDIT MEMO (S)	\$4,289.07
<i>Refunds</i>		
BENNETT, DEBRA DIXON DID NOT OWN 1/1/2013	2013-0004302	\$50.63
HERNANDEZ, JOSE DID NOT OWN 1/1/2009	2009-0026320	\$91.34
HERNANDEZ, JOSE DID NOT OWN 1/1/2010	2010-0023995	\$92.45
ROBBINS, SHIRD E JR & LAURA DOUBLE BILLED – SAME ACCT	2009-0048048	\$255.47
ROBBINS, SHIRD E JR & LAURA DOUBLE BILLED – SAME ACCT	2010-0043938	\$210.54
ROBBINS, SHIRD E JR & LAURA DOUBLE BILLED – SAME ACCT	2011-0048893	\$184.48

ROBBINS, SHIRD E JR & LAURA DOUBE BILLED – SAME ACCT	2012-0048821	\$181.11
ZEIDAN, MUNADEL M SITUS IN PAMLICO COUNTY	2011-0064718	\$90.03
ZEIDAN, MUNADEL M SITUS IN PAMLICO COUNTY	2012-0064651	\$74.90
	9 – REFUND (S)	\$1,230.95

DEPARTMENTAL MATTERS: ECONOMIC DEVELOPMENT UPDATE

Economic Development Director, Timothy Downs, provided a routine update for the Board with the following highlights:

- The Committee of 100 approved moving forward unanimously with the proposed economic development structure, and agreed to fund attorney’s fees.
- Business visits have been made to 11 businesses, including Moen, and AAR-Havelock to talk and listen to their needs
- Three inquiries were made last week for business location/relocation
- Still working out bugs on site locator website. There are 118 properties currently listed with over 600 searches having been made up through April.
- Presented a flyer that was developed to promote the Industrial Park
- Moving forward with applications (for free) to be identified as foreign trade zone through the state’s initiative, which will be a \$5,000 saving versus an individual county application
- Demonstrated interactive map on economic development website. The goal is to have the site live by mid-June

Commissioner Dacey asked if any recurring needs among businesses have been identified. Mr. Downs stated that there has been no consistency throughout business conversations; however, AAR-Havelock needs 3,000 square feet of space in order to consolidate its operations.

Commissioner Tyson inquired about the benefit of a foreign trade zone. Mr. Downs explained that as an example, parts which are brought into the United States and placed in a product here, then shipped back out of the U.S. will have tax savings as a result of having been produced in a foreign trade zone. A company can do an application on its own, which is the recommended route, once the zone is certified. As a future alternative, the County could do applications for the companies and charge a fee.

Commissioner Allen asked what role the Chamber of Commerce has in Economic Development. Mr. Downs stated that he has been working with both chambers, particularly on the initiative of “Economic Gardening”, identifying businesses that want to grow and identifying elements that are impeding growth.

DEPARTMENTAL MATTERS: SOCIAL SERVICES – BUDGET AMENDMENT

Assistant Social Services Director, Alfreda Stout, presented the following budget amendments for the Board’s approval.

DSS 7295 Senior

REVENUES	AMOUNT	EXPENDITURES	AMOUNT
101-7295-336-39-00 General Donations	\$1,170.00	101-7295-450-32-31 Donation Senior	\$1,170.00
TOTAL	\$1,170.00	TOTAL	\$1,170.00

Justification: Budget amendment needed due to \$1,170 received in addition to the \$6,000 anticipated for regular Senior Donation for the current fiscal year.

Commissioner Allen moved for its approval, as presented, seconded by Commissioner Sampson and unanimously carried in a roll call vote.

DSS 7291 Mandated

101-7291-349-32-00	\$1,271.00	101-7291-450-23-03	\$1,271.00
Energy CIP, CP&L		CP&L Energy Neighb	
101-7291-349-42-00	\$ 625.00	101-7291-450-23-42	\$ 625.00
Share the Warmth		Share the Warmth	
TOTAL	\$1,896.00	TOTAL	\$1,896.00

Justification: Additional funding received for Duke Energy Progress-Energy Neighbor Fund and Share the Warmth. There is no County match. Funds are 100% State. *Current budget in H.T.E. for Share the Warmth is \$2,421. Budget amendment amount of \$625 is the difference required to bring the total amount budgeted to match the total amount authorized by the State, which is \$3,046.*

Commissioner Sampson moved for its approval, as presented, seconded by Commissioner McCabe and unanimously carried in a roll call vote.

DEPARTMENTAL MATTERS: HEALTH – BUDGET AMENDMENT

Deputy Health Director, Jennifer Blackmon, presented the following budget amendment for the Board’s approval.

Health/Family Planning

101-6400-349-12-00	\$25,000	101-6400-440-32-05	\$25,000
State Funds		Prescription Drugs	
TOTAL	\$25,000	TOTAL	\$25,000

Justification: Additional funding in the amount of \$25,000 has been awarded to CCHD in order to provide Family Planning services for patients in order to prevent out-of-wedlock births. These funds are to be used to purchase different forms of long acting contraception such as depo-provera, Implanon and Mirena IUD’s.

Commissioner Sampson moved for its approval, as presented, seconded by Commissioner McCabe and unanimously carried in a roll call vote.

DEPARTMENTAL MATTERS: PLANNING – ROAD MAINTENANCE WARRANTY UPDATE

Planning staff met with the County Attorney earlier in the week to discuss the road maintenance warranty issue. Planning Director, Don Baumgardner, provided an update to the Board.

He stated that some counties have a requirement that a maintenance guaranty provision by developers be included in their subdivision ordinances. There are, however, some issues with County involvement in such a guaranty: expense of bonds to the developer; responsibility for inspection of roads in interim before taken over by the State; possible liability of County; and implementation

Two possible solutions were discussed:

1. Assessment of property owners, to become liens against property, with the County advancing the necessary funds for the road upgrades.

2. Pursuit of legislative action that would require that DOT take over roads sooner rather than later. This was the County Manager's recommendation for moving forward.

County Manager, Jack Veit, recommended lobbying the Department of Transportation to handle the issue internally, through a study group, to include County representation. If a solution is not found, then counties can move forward to request legislation in the next session.

Commissioners Sampson and Dacey advocated the County Manager's recommendation.

Commissioners Sampson and McCabe requested to be excused to attend another meeting. Commissioner Taylor moved to excuse Commissioners Sampson and McCabe, seconded by Commissioner Dacey and unanimously carried.

APPOINTMENTS

Highway 70 Corridor Committee (additional member)

The City of New Bern was expected to address a nomination for this vacancy at its meeting on May 13. Chairman Mark stated that if the County does not hear from the City, the County will consider another appointee from among the Board of Commissioners.

Down East RPO (Rural Planning Organization)

Commissioner Tyson volunteered as an alternate to the County's representative. There being no other nominees, Commissioner Tyson was appointed by acclamation.

Juvenile Crime Prevention Council

Commissioner Taylor nominated Dawn Gibson to replace Joel Grimm on the Juvenile Crime Prevention Council as a representative of the faith community. Commissioner Tyson seconded the motion, which carried unanimously.

Upcoming Appointments

The Board was apprised of the following upcoming appointments to boards and committees:

June:

- Voting Delegate to NACo Annual Conference (June 13 deadline)
- ABC Board
- Eastern Carolina Council of Governments
- Social Services
- Eastern Carolina Workforce Development
- Havelock Board of Adjustment
- Havelock Planning Board
- New Bern Planning Board
- Recreation and Parks
- Coastal Carolina Airport Authority

July:

- Craven Community Child Protection Team

COUNTY ATTORNEY'S REPORT

Offer to Purchase Real Property – 200 Muddy Lane (#1-044-105)

The County received an offer in the amount of \$4,000 for property located at 200 Muddy Lane, which was acquired through a tax foreclosure.

The total taxes and costs that were foreclosed on were \$2,468.52. The current tax value is \$13,500. Commissioner Dacey moved to accept the offer, as presented, and advertise for upset bids. Commissioner Tyson seconded the motion, which carried unanimously. (Commissioners McCabe and Sampson having been excused) Once no further upset bids are timely received, the County may accept or reject the final offer.

COUNTY MANAGER'S REPORT

Presentation of Recommended 2015 County Budget

County Manager, Jack Veit, presented the following summary of the proposed budget for FY 2014-2015.

Mr. Chairman and Members of the Board of Commissioners:

I respectfully submit for your consideration the recommended fiscal year 2015 budget for Craven County. The proposed budget is balanced and it is recommended that the ad valorem tax rate for the fiscal year 2015 remain the same as the current year at 46.75 cents per \$100 of valuation. The recommended general fund budget is \$97,356,454 and includes a fund balance appropriation of \$174,011 to balance the budget. Craven County's available fund balance was 24.33% of expenditures at June 30, 2013 while other counties with over 100,000 in population had fund balances averaging 25.40% and all counties averaged 26.75%.

Revenues for the first ten months of the current year are \$865,000 ahead of last year for the same time period, while expenditures are approximately \$300,000 less. The increase in revenues includes approximately \$1,500,000 received from the N.C. Eastern Region and \$600,000 of funds received from FEMA for Hurricane Irene expenditures. Without those revenues the total this year would be less than last year. In fiscal 2013, the County ended the year adding approximately \$630,000 to the fund balance. It is unlikely the County will add funds to the general fund balance in fiscal 2014.

The current assessed value for fiscal 2014, the current year, is approximately \$9.92 billion, slightly less than the \$10.1 billion used in the fiscal 2014 budget. This amount includes the unusual one-time occurrence resulting from the change in the method of billing and paying property tax on motor vehicles. Total property valuation is estimated at \$9.8 billion for fiscal 2015. The estimated amount reflects relatively flat growth in the County's tax base.

Total revenues and expenditures for the recommended budget are \$1,900,000 less than the current budget for 2014 and \$620,000 less than the original budget of fiscal 2014. This budget reflects no growth in sales tax revenue, the second largest revenue source. Through eight months sales tax receipts are approximately one percent less than last year but the last several months have shown increases over the same period last year and it appears favorable that the amount budgeted in the current year will be received.

Funds from the ABC Board are budgeted at \$750,000, comparable to the amount received in the current year. This was based on estimates received from the ABC staff. Transfers to the General Fund from the Capital Reserve Fund are up \$391,000 from the current budget. This increase is a direct result of the no growth in the County's two primary sources of revenue. Capital outlay and major repair projects were closely examined and only as a result of the Capital Reserve Fund were most able to be funded.

Home Health revenue and expenditures are budgeted for only three months of operation in anticipation of a sale of the agency. Any possible gain on the sale of the Home Health is not reflected in the budget. In the past several years, the Hospice agency has been budgeted to generate a profit used to offset health administrative costs. The agency was budgeted to break even this year due to the upcoming sale of Home Health and the uncertainty of the impact this may have on expenditures for Hospice. Social services revenues are up approximately \$700,000 due to higher reimbursement rates to be provided by the State.

This budget includes a 5% across the board increase in building inspection fees as well as new fees in both Inspections and Planning. These fee increases keep Craven County in the middle range of comparable rates charged by surrounding jurisdictions for the same permits.

On the expenditure side, capital expenditures are slightly more than the current year. Of the total capital expenditures of \$1.9 million, \$1.5 million is funded with transfers from the Capital Reserve Fund. The majority of the capital expenditures deal with technology and facility improvements.

Total salaries are \$208,000 lower than the original budget of 2014. The recommended budget includes no across the board increase for employees. There are three new full time positions in the recommended budget. One is a marketing analyst in the Economic Development department. This position is based on the recommendations of the County's strategic plan and is to assist in recruitment activities. Another is an additional deputy sheriff for the Havelock campus of the Community College and the third is a nutritionist in the WIC program.

Total benefit costs are budgeted to be \$50,000 lower than the current budget due to several items. First, the County is not required to fund the unemployment compensation pool this year as that was a one-time expense of the current year. Secondly, the benefits calculated as a percentage of salary, FICA and retirement, are slightly less due to lower salaries. Most of these reductions were offset however by a recommended five percent increase in health and dental premiums needed to fund the County's self-insured plan. The County has experienced higher than normal claims in the current year. No changes are proposed in the coverage under the health and dental plans and the County's plan will continue to not pay for preventive care.

The budget includes a \$614,000 increase in current expense for the public schools which will provide funding for five additional locally paid teachers, a \$100 increase in the teacher's supplement, half the amount paid to charter schools, an increase in property insurance, and half of the decline in other local revenues. Capital outlay for the public schools is recommended to stay at \$700,000.

The budget funds the Craven Community College requested current expense, which is \$28,000 more than the current year to be used to provide a \$100 increase in their employee supplement. Capital outlay for the college is retained at \$500,000 as agreed to previously with half of that amount coming from the Capital Reserve.

The recommended budget is once again one of maintenance. All programs and departments were closely reviewed for items which could be eliminated or reduced. No programs or services are expanded in this budget and the Home Health agency is eliminated due to the planned sale.

There is still the possibility that the General Assembly may take action which will affect the County budget. The public schools did not ask for funding for any increase in salary, insurance, or retirement. If the legislature makes any changes to these, the Board of Education will look to the County to make up the difference from fund balance. It does not appear favorable that any additional lottery money will be received in the upcoming year and no increase was anticipated in the budget.

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 immediately be available for public inspection in the Manager's office and posted on the County website. I recommend the Board schedule a public hearing at 7:00 PM on June 2, 2014 and conduct budget study sessions between now and that time.

Respectfully submitted,

Jack Veit, Craven County Manager
May 19, 2014

Update on Highway 70 Corridor Commission

Mr. Veit reported that the James City by-pass project scored so highly that it was funded under the state mobility plan, not the regional plan.

He announced that on June 19, 2014 Carteret County Community College will host a public information meeting on the economic impact of Highway 70.

COMMISSIONERS' REPORTS

Commissioner Allen thanked those who came out to vote at the last primary election. Although he did not succeed, he will be here until the first meeting in December.

He announced that Craven Community Band had a successful concert in Union Point Park last weekend and the Havelock Community Band will be performing on June 3 at the Havelock Tourist and Event Center. He announced his reappointment to the NC Accreditation Board for another 3 year term.

Commissioner Tyson announced that he and Assistant County Manager, Gene Hodges, attended a state Metropolitan Planning Organization (MPO) meeting in Wilmington and commented that North Carolina is one of the fastest growing states, with 50% of migrations to Mecklenburg and Wake Counties. He stated that multi modal transportation is the current hot topic and is essential to economic development. He reported that the Highway Trust Fund created by the gasoline tax is the sole source of highway construction funding and is a diminishing source due to efficiencies in vehicle operation and a growing road network. He stated that legislation has been passed that prevents the Highway Trust Fund from being raided by politicians. The only alternative is tolls, which will likely be instituted in the next 3-5 years.

Commissioner Dacey reported on his attendance at the Craven Community College graduation, where there were 264 graduates. He announced the following upcoming events:

- May 19, 2014 – listening session from 4:30-5:30 p.m.
- May 20, 2014 – Coastal Carolina Regional Airport meeting
- May 22, 2014 – ACT meeting

Commissioner Taylor commented on the Cherry Point Air Show.

Chairman Mark reminded the Board of a Highway 17 Association meeting and briefing on Wednesday May 21 at 1:00 p.m.

CLOSED SESSION

At 10:10 a.m. Commissioner Taylor moved to go into closed, seconded by Commissioner Tyson and unanimously carried, to discuss economic development pursuant to NCGS 143-318.11(a)(4).

At 10:50 a.m. the Board returned with no action to report.

At 10:55 a.m. the Board recessed to reconvene immediately following at Cooperative Extension.

Chairman Thomas F. Mark
Craven County Board of Commissioners

Gwendolyn M. Bryan
Clerk to the Board