

**THE BOARD OF COMMISSIONERS OF THE COUNTY OF CRAVEN RECONVENED ITS RECESSED SESSION OF JUNE 1, 2015 ON JUNE 5, 2015 AT 9:00 A.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 Steve Tyson – arrived at 9:30 a.m.  
 Vice Chairman Scott C. Dacey  
 Commissioner Jason R. Jones  
 Commissioner George S. Liner  
 Commissioner Thomas F. Mark  
 Commissioner Theron L. McCabe  
 Commissioner Johnnie Sampson, Jr.

**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  
 Craig Warren, Finance Department

At 9:00 a.m. Commissioner Dacey convened the meeting with a review of budget discussions to date.

**REVIEW OF FIRE DEPARTMENT BUDGETS**

Little Swift Creek – It was the consensus to go with the recommendation with no rate increase (.5490) and to provide a grant match.

Twp. 6 – It was the consensus to go to .004 rate increase and apply \$15,000 from Fund Balance to Capital Outlay; \$252,977. Hold \$30,000 on County books for future grant match.

West New Bern – Commissioner Dacey will be talking with EMS Director, Stanley Kite, regarding the pension issue and why West New Bern's pension is so out of line with other departments. Commissioner Dacey will bring the information to staff. They have a waiting list of potential volunteers.

Twp. 7 – It was the consensus to have a tax rate increase of .0013.

Changes made to the recommended budget total an additional \$131,510 added from Fund Balance; however, revenues could come in higher for sales tax, ABC fees, and potential solar farms, in which case it may not be necessary to use Fund Balance.

There was consensus to add \$68,000 for HQFC nurse, added for hospice plus benefits. This will be offset by additional revenue of \$25,000. The May average daily count is 30.7.

It was noted that there has been no constituent input on the budget since the public hearing except a request regarding school administrative personnel salaries. County Manager, Jack Veit, stated that the County has no control over their salaries.

(\*\* Commissioner Tyson arrived at 9:30 a.m.)

Commissioner Mark stated that he has had no cooperation with the Board of Education regarding requests concerning staffing at the central office, the budget breakdown and scheduling of periodic joint meetings.

Mr. Veit stated that the the schools' timeline for budget discussion with the Commissioners must occur earlier and the Boards need to meet jointly more often.

Commissioner Dacey inquired if Craven County should consider Carteret County's model of paying for schools' capital projects by direct invoice rather than giving money to the schools in a lump sum.

Commissioner Limer asked if both boards could put forth several members for a sub-committee, as it seems difficult for all of both boards to get together.

Commissioner Jones stated that he has agreed with Linda Thomas and Frances Boomer, who are representatives from his district on the Board of Education, to meet on occasion. He recommends that other Commissioners reach out to school board members in their respective districts also. They are elected officials as well and are accountable to the public for their stewardship.

Commissioner Dacey suggested exploring with them in discussion the Carteret County model for capital project dispersals.

Assistant County Manager for Finance/Administration, Rick Hemphill, presented changes to the Capital Improvement Program (CIP).

Commissioner Dacey reported that he has identified a private company that would do the Register of Deeds back scanning. These are options that can be explored in the future.

The Capital Reserve will cover the CIP through FY'19. The fund will go negative in FY'20 if no new funds are added. Unexpected receipts are generally used to infuse the CIP Fund.

Mr. Hemphill stated that the rescue squad billing company (ESO) has gone through staffing changes. He has met with Stanley Kite and representatives of companies. The software being used is problematic. The company has agreed to provide new software (ZOL), which is being used by the hospital and City of Havelock.

ESO will pick up the \$13,000 per year maintenance cost, as well as the cost of twelve new Tuffbooks, which will put one in each ambulance. It was also agreed to a 10% to 6.5% reduction in billing commission on a three-year contract. The rate will be effective July 1. It will include a dedicated phone line for Craven County.

Rural versus urban zip code categories are being used by centers for Medicare and Medicaid Services (CMS). Rural zip reimbursement at 10 ½¢/loaded mile became effective January 1, 2015, while urban zip was reimbursed at only 7 ¾¢/loaded mile. All of Craven County is classified as "urban". Commissioner Dacey urged an appeal to the congressional delegation and will draft a resolution.

Mr. Hemphill stated that he will provide numbers to Commissioner Dacey to be included in the resolution.

Human Resources Director, Amber Parker, reported that the medical and dental rate increase for retirees in the personnel policy will be on the next agenda.

Mr. Hemphill reported that the Water Department revenue total is \$3.9M, which is up about \$100,000.

Expenditures reflect a position added for the Water Plant Superintendent for a half year at \$42,920 annual salary – current budgeted surplus of \$1,898,001 has been building annually in planning for the plant. Cash will be paid for half the plant cost(\$30M). This line will pay debt service going forward, and there is no need for a rate increase.

Chairman Tyson introduced discussion of a potential convention center exhibit hall which is desired by the Tourism Development Authority. There was discussion on the value of an exhibit hall against the loss of parking. An independent feasibility study was suggested.

It was the consensus to maintain the current market niche for the convention center and aesthetic, and to pay off the debt by 2019. Funds freed up from debt service should be used for maintenance of the New Bern Riverfront Convention Center and Havelock Convention Center, and to pay back the county for advances.

The Aviation Heritage Foundation fly-in at the Havelock Tourist Center was held on June 12.

At 10:40 a.m. Commissioner Liner moved to adjourn, seconded by Commissioner McCabe and unanimously carried.

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Chairman Steve Tyson  
Craven County Board of Commissioners

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Gwendolyn M. Bryan  
Clerk to the Board