

**AGENDA
CRAVEN COUNTY BOARD OF COMMISSIONERS
REGULAR SESSION
MONDAY, MAY 18, 2015
8:30 A.M.**

CALL TO ORDER

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

1. CONSENT AGENDA
 - A. Minutes of April 6, 2015 Regular Session and March 27, 2015 Special Session
 - B. Tax Releases and Refunds
 - C. Request for Addition to State Maintained Secondary Road System
 - D. Proclamation Recognizing Wilbur Williamson's 100th Birthday
2. COMMUNITY COLLEGE PRESENTATION/RECOGNITION: Dr. Catherine Chew, President
3. COASTAL CAROLINA REGIONAL AIRPORT PRESENTATION: Tom Braaten, Airport Director
4. RESOLUTION IN SUPPORT OF INTERSTATE DESIGNATION: Commissioner Dacey
5. AMBULANCE FRANCHISE ORDINANCE AMENDMENT

DEPARTMENTAL MATTERS

6. WATER – WRITE OFFS: Rusty Hayes, Water Superintendent
7. PLANNING: BILLING PER DIEM ADDITIONAL SERVICES – FY12 CDBG INFRASTRUCTURE PROJECT: Reed Whitesell, Holland Consulting Planners

8. ECONOMIC DEVELOPMENT: Timothy Downs, Economic Development Director
 - A. Quarterly Update
 - B. Resolution Exempting Service Contract – Roadway Extention
 - C. Resolution Exempting Service Contract – Master Planning Services
 - D. Resolution Exempting Service Contract – Wetlands Determination and Geography
9. FINANCE - BUDGET AMENDMENTS: Rick Hemphill, Assistant County Manager, Finance/Administration
10. EMERGENCY SERVICES – HOSPITAL AMBULANCE LEASE: Rick Hemphill
11. APPOINTMENTS
12. COUNTY ATTORNEY'S REPORT: Jim Hicks
13. PRESENTATION OF RECOMMENDED FY 2015-2016 BUDGET: Jack Veit, County Manager
14. COUNTY MANAGER'S REPORT: Jack Veit
15. COMMISSIONERS' REPORTS

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 18, 2015. THE MEETING CONVENED AT 8:30 A.M.

MEMBERS PRESENT:

- Chairman Steve Tyson
- Vice Chairman Scott C. Dacey
- Commissioner Jason R. Jones
- Commissioner Thomas F. Mark
- Commissioner Theron L. McCabe
- Commissioner Johnnie Sampson, Jr.

MEMBERS ABSENT:

- Commissioner George S. Liner

STAFF PRESENT:

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

Following an invocation by Commissioner Jones and the Pledge of Allegiance, Commissioner Sampson moved to approve the agenda, as presented, seconded by Commissioner McCabe and unanimously carried.

CONSENT AGENDA

Minutes of May 4, 2015 and March 27, 2015

Commissioner Mark moved to approve the regular session minutes of May 4, 2015 and special session minutes of March 27, 2015, seconded by Commissioner McCabe and unanimously carried in a roll call vote.

Tax Releases and Refunds

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

Credits

TAXPAYER NAME	TICKET#	AMOUNT
ANDERSON, ROSE MARINA AMES DOUBLE LISTED WITH ACCT \$0069174	2014-0093150	\$781.15
BROCK, JETTIE HRS FORECLOSURE – LIEN EXTINGUISHED	2014-0006857	\$82.61
CHAPMAN, HERMAN JR HRS FORECLOSURE – LIEN EXTINGUISHED	2005-0009329	\$324.58
CHAPMAN, HERMAN JR HRS FORECLOSURE – LIEN EXTINGUISHED	2006-0009471	\$71.20
CHAPMAN, HERMAN JR HRS FORECLOSURE – LIEN EXTINGUISHED	2007-0009724	\$69.73

CHAPMAN, HERMAN JR HRS FORECLOSURE – LIEN EXTINGUISHED	2008-0010070	\$66.27
CHAPMAN, HERMAN JR HRS FORECLOSURE – LIEN EXTINGUISHED	2009-0010062	\$62.81
CHAPMAN, HERMAN JR HRS FORECLOSURE – LIEN EXTINGUISHED	2010-0009277	\$58.54
CHAPMAN, HERMAN JR HRS FORECLOSURE – LIEN EXTINGUISHED	2011-0010222	\$55.41
CHAPMAN, HERMAN JR HRS FORECLOSURE – LIEN EXTINGUISHED	2012-0010148	\$51.87
CHAPMAN, HERMAN JR HRS FORECLOSURE – LIEN EXTINGUISHED	2013-0009925	\$42.48
CHAPMAN, HERMAN JR HRS FORECLOSURE – LIEN EXTINGUISHED	2014-0010117	\$39.12
FLEMING, PARSHEE JANICE FORECLOSURE – LIEN EXTINGUISHED	2011-0019167	\$78.25
FLEMING, PARSHEE JANICE FORECLOSURE – LIEN EXTINGUISHED	2012-0019001	\$72.84
FLEMING, PARSHEE JANICE FORECLOSURE – LIEN EXTINGUISHED	2013-0018457	\$62.10
FLEMING, PARSHEE JANICE FORECLOSURE – LIEN EXTINGUISHED	2014-0018951	\$57.18
FLEMING, PARSHEE JANICE FORECLOSURE – LIEN EXTINGUISHED	2010-0017386	\$38.95
FLEMING, PARSHEE JANICE FORECLOSURE – LIEN EXTINGUISHED	2009-0018992	\$25.85
FRANK, STEVEN M AND BARBARA F CORR. BOAT VALUE PER BILL OF SALE	2015-0090051	\$389.61
GATLIN, MARK CLAYTON DID NOT OWN 1/1/2014	2014-0021168	\$8.73
JONES, JEFFREY EUGENE DID NOT OWN 1/1/2008	2008-0030433	\$82.91
JONES, JEFFREY EUGENE DID NOT OWN 1/1/2009	2009-0030479	\$74.26
KELLEY, SCOTT A DID NOT OWN 1/1/2009	2009-0031329	\$8.03
MCCAUSLEY, JIMY DEAN INCORRECT BILLING – TO BE REBILLED	2015-0090093	\$337.43
THOMAS, ERNEST O FORECLOSURE – LIEN EXTINGUISHED	2008-0054832	\$27.04

WATERS, EDDIE J & SARAH DOUBLE BILLED SEE PID 1-053-174	2014-0059014	\$369.18
WILSON, ROBERT ALFERT HRS FORECLOSURE – LIEN EXTINGUISHED	2014-0062341	\$102.95
WILSON, ROBERT ALFERT HRS FORECLOSURE – LIEN EXTINGUISHED	2013-0060779	\$111.83
WILSON, ROBERT ALFERT HRS FORECLOSURE – LIEN EXTINGUISHED	2012-0063424	\$121.23
WILSON, ROBERT ALFERT HRS FORECLOSURE – LIEN EXTINGUISHED	2011-0063486	\$130.65
WILSON, ROBERT ALFERT HRS FORECLOSURE – LIEN EXTINGUISHED	2010-0057115	\$139.53
WILSON, ROBERT ALFERT HRS FORECLOSURE – LIEN EXTINGUISHED	2009-0062516	\$76.46
WILSON, ROBERT ALFERT HRS FORECLOSURE – LIEN EXTINGUISHED	2008-0061441	\$81.02
WILSON, ROBERT ALFERT HRS FORECLOSURE – LIEN EXTINGUISHED	2007-0060786	\$85.39
WILSON, ROBERT ALFERT HRS FORECLOSURE – LIEN EXTINGUISHED	2006-0059014	\$89.95
WILSON, ROBERT ALFERT HRS FORECLOSURE – LIEN EXTINGUISHED	2005-0058035	\$94.52
	36 – CREDIT MEMO (\$)	\$4,371.96

Refunds

WATERS, EDDIE J & SARAH DOUBLE LISTED – SEE 52930	2013-0057625	\$331.45
WHITLOW, MARY LOUISE QUALIFIED FOR VETERAN EXCLUSION	2014-0061131	\$333.38
	2 – REFUND (\$)	\$664.83

Road Addition

Craven County Planning Director, Don Baumgardner, submitted a SR 2 Road Addition Resolution requesting that the Board approve Maple Farms Lane in the Maple Farms Subdivision to be turned over to the State of North Carolina for maintenance. Commissioner Mark moved to approve the SR 2 Road Addition Resolution, as requested, seconded by Commissioner McCabe and unanimously carried in a roll call vote.

Proclamation Recognizing Wilbur Williamson’s 100th Birthday

The Board was requested to adopt a proclamation recognizing the 100th birthday of Wilbur Williamson on May 24, and to authorize the Chairman’s signature. Mr. Williamson served as the Craven County Auditor/Finance Director prior to the County adopting the County Manager form of government in the 1970’s. Commissioner Mark moved to approve the request, seconded by Commissioner McCabe and unanimously carried in a roll call vote. The following resolution is placed upon the record.

**RESOLUTION
HONORING J. WILBUR WILLIAMSON**

WHEREAS, J. Wilbur Williamson came to New Bern in 1922 at the age of seven, the day after the “Great Fire” of 1922, and became a “true New Bernian”; and

WHEREAS, he began work as a teenager at Bradham’s Drug Store as a “soda jerk”, followed later by employment at New Bern Ice Plant and Armstrong Grocery Company; and

WHEREAS, Wilbur also served his country during World War II, spending his time in the Pacific Theater; and

WHEREAS, he joined Craven County in 1960 as Assistant to long time Auditor, Ben O. Jones, assisting in the management of a \$2.9 million budget, when the tax rate was \$2.00; and

WHEREAS, in 1966 he was appointed by the Board of Commissioners to succeed Mr. Jones as Auditor upon his retirement, performing many of the oversight duties which later became the responsibility of a County Manager; and

WHEREAS, the Board of Commissioners adopted the County Manager form of government in 1979; and

WHEREAS, Wilbur Williamson, after declining the Board’s offer of appointment to the newly established County Manager position, retired from Craven County as Finance Director after 19 years of service, the title having been changed from Auditor, and at a time when the County’s annual budget had increased to \$18.8 million and the tax rate had declined to \$.68; and

WHEREAS, during his service to Craven County, Mr. Williamson was active in the N.C. Association of County Accountants, serving as 2nd Vice President, 1st Vice President and in 1972 as President.

NOW, THEREFORE, in recognition of his service to Craven County and the community, the Craven County Board of Commissioners salutes J. Wilbur Williamson, and extends congratulations on his achievement of yet another milestone: the celebration of his 100th Birthday!

Adopted this 18th day of May, 2015.

CRAVEN COMMUNITY COLLEGE PRESENTATION

Dr. Catherine Chew, President of Craven Community College, recognized donors, Helmut and Carmen Weisser. A recommendation to the Board of Trustees to name the Student Success Center in their honor was approved. Mr. Weisser moved to New Bern to become Plant Manager for BSH 30 years ago, and he and Mrs. Weisser have since become U.S. citizens.

COASTAL CAROLINA REGIONAL AIRPORT PRESENTATION

Airport Director, Tom Braaten, made a presentation to update the Board on a 2012 Economic Impact Study done by the Institute for Transportation Research and Education, NC State University. It was found that the total economic impact of the Coastal Carolina Regional Airport increased from \$68,120,100 in 2006 to \$167,180,000 in 2012. The importance of the airport to Fleet Readiness Center – East and Cherry Point MCAS was emphasized. Mr. Braaten also advised the Board of an opportunity to develop economic activity on several out parcels that cannot be used for airport operations. Commissioner Dacey requested that Mr. Braaten provide the Board with a copy of the report.

RESOLUTION IN SUPPORT OF INTERSTATE DESIGNATION

Commissioner Dacey presented the following resolution for consideration, which has already been endorsed by all members of N.C. Congressional delegation.

**RESOLUTION OF SUPPORT FOR THE MILITARY CORRIDOR TRANSPORTATION
IMPROVEMENT ACT OF 2015 AND CALLING UPON THE NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION TO ALLOCATE PRIORITY FUNDING TO
US 70 IMPROVEMENTS IN ADVANCE OF THIS DESIGNATION**

WHEREAS, a bipartisan coalition of North Carolina's federal delegation has introduced the Military Corridor Transportation Improvement Act of 2015; and

WHEREAS, this act would designate US 70 from Raleigh to Morehead City as an Interstate; and

WHEREAS, we support the US Military and recognize that our national security could be impacted if Cherry Point Marine Corps Air Station does not have consistent and efficient access for military personnel; and

WHEREAS, access to the Port in Morehead, the state's second largest port, is critical to our state's wellbeing and port operations support North Carolina's citizens and businesses; and

WHEREAS, effective and efficient access to and from our coast could have a positive economic impact on those communities; and

WHEREAS, population growth within North Carolina will continue to increase the number of citizens utilizing US 70, thus adding to delays and increasing safety issues; and

WHEREAS, interstate designation will expand economic development opportunities for the region; and

WHEREAS, interstate will offer support for North Carolina's military community by providing consistent and safe roadway access.

THEREFORE, BE IT RESOLVED, that the Craven County Board of Commissioners supports Military Corridor Transportation Improvement Act of 2015 and calls for its swift passage.

Adopted this 18th day of May, 2015

Commissioner Dacey moved to adopt the resolution, seconded by Commissioner Sampson and unanimously carried.

AMBULANCE FRANCHISE ORDINANCE AMENDMENT

At the Board's last meeting, a vote was taken to adopt an amendment to the Ambulance Franchise Ordinance which establishes a fee for non-emergency transport. A second vote was required for adoption or amendment of a franchise ordinance. Commissioner Sampson moved to ratify the vote taken on May 4, 2015, seconded by Commissioner McCabe and unanimously carried.

DEPARTMENTAL MATTERS: WATER – WRITE-OFFS

Rusty Hayes, Water Superintendent, presented write-offs for calendar year 2013 in the amount of \$5,330, which were below the \$50.00 minimum to send to Debt Set Off. He stated that the Water Department will continue its efforts to collect this debt. Commissioner Mark moved to approve the write-offs, as presented, seconded by Commissioner Tyson and unanimously carried in a roll call vote.

A future consideration for this process included a recommendation that, at minimum, write-offs be considered every 60 to 90 days rather than yearly, and it was also recommended that the Board consider making this information available upon request rather than coming before the Board numerous times during the year. Commissioner Dacey inquired if it could be delegated to staff. County Attorney, Jim Hicks, responded that it can be delegated to staff. Commissioner Dacey asked if there are any additional expenses involved in doing the write-offs more often. Mr. Hayes responded that there are no additional expenses. Commissioner Dacey moved to authorize the Water Department to exercise debt collection measures as necessary and to authorize the Water Department to act without approval of the Board in exercising such authority. Commissioner Mark seconded the motion, which carried unanimously.

DEPARTMENTAL MATTERS: PLANNING – BILLING PER DIEM ADDITIONAL SERVICES

Planning Director, Don Baumgardner, requested on behalf of Holland Consulting Planners (HCP), that a billing per diem be increased in the amount of \$2,000 to \$3,000 per month from May through August, 2015, for actual hours worked to complete the FY12 CDBG Infrastructure project. The total HCP billings for the project until completion will still only be approximately 13-14% of the total project budget, and well below the 18% NC Department of Commerce regulatory limit for CDBG administration. CDBG funds will cover the payment for additional services. Additional per diem was justified as a result of delays caused by weather and difficulty in obtaining easements for waterline extension installation on Henderson-Godette Road, and installation of 25 additional STEP pump systems. Commissioner Sampson moved to approve the additional management billing for the CDBG Infrastructure project, seconded by Commissioner McCabe and unanimously carried.

DEPARTMENTAL MATTERS: ECONOMIC DEVELOPMENT*Quarterly Update*

Craven County Economic Development Director, Timothy Downs, presented an update on economic development activities in the County during the last quarter, including activities of the Craven 100 Alliance, the Entrepreneur Center project, and a general update on projects and prospects. He stated that the public campaign kick-off for the Craven 100 Alliance is expected in early July and the campaign goal is \$1.5M over the next five years. He stated that mid-June is the scheduled groundbreaking for Moen and they have added 70 employees so far this year. BSH is planning for significant growth and has added 60 employees this year. There were a lot of jobs added last year in the County and the growth is projected to continue thorough the current year. Carolina Technical Plastic is also planning significant growth. Mr. Downs stated that there have been 20 site selection inquiries to date this year. The Craven 100 Alliance launched the Capital Campaign last month on a limited basis. John Ward, CEO of Hatteras Yachts, will chair the campaign and Hatteras has committed to a significant contribution. Hatteras has hired 40 employees this year, and is seeking another 40-50. Mr. Downs stated that meeting employment demands in engineering and skilled trades is a challenge. He stated that the N.C. Development Partnership has been engaged in conversation regarding military affairs and that he will also be meeting with the hospital to encourage buying locally to the extent possible. This could be used as an example to other agencies.

On behalf of other Economic Development partners, including Swiss Bear and Craven Community College, he requested that the Board consider use of the facility at 509 Broad Street for an Entrepreneur Center rather than accepting an existing offer to purchase. The building is ADA compliant. Although there is no elevator, plans have been made to address compliance by making all services available on the first floor. The plans for renovations are projected to cost approximately \$250,000, not including furnishings, which is expected to be funded with grants.

Commissioner McCabe stated that he is looking forward to more businesses locating in Harlowe and the western end of the County.

Commissioner Jones inquired if this kind of project is successfully being done in counties of similar size. Mr. Downs stated that feasibility studies have been done that include review of operations in other counties. The County would retain ownership of the building and lease it. At the end of a three year test period, it is expected that the facility would be self-supporting from operations.

There was discussion concerning megasites, and Mr. Downs stated that they require 1,000 acres or greater, and are dependent on geographic location, infrastructure being in place or specific plans to put it in place. The County would need to weigh the cost relative to the likely benefit in considering preparing to attract a megasite.

Resolutions Exempting Service Contracts from the Provisions of NCGS 143-64.3.1.

Mr. Downs requested that the Board adopt the following resolutions to authorize proceeding with a service contract to perform Master Planning Services for Parcel 8-217-025 at the Industrial Park, a service contract to perform wetlands determination and geotechnical analysis services for several vacant development lots in Industrial Park, and a service contract to perform roadway extension design and permitting services for Executive Parkway, located in the Industrial Park, exempting these service contracts from the provisions of G.S. §143-64.3.1.

Commissioner McCabe moved to approve the following resolutions, as requested, seconded by Commissioner Mark and unanimously carried.

CRAVEN COUNTY
RESOLUTION PURSUANT TO
N.C.Gen.Stat. §143-64.32

WHEREAS, N.C.Gen.Stat. §143-64.31 requires the selection of firms to perform architectural, engineering, and surveying services by a County to be without regard to fee, after public announcement of such services; and,

WHEREAS, Craven County ("County") proposes to enter into an engineering service contract for Master Planning services for Parcel 8-217-025, located in the Craven County Industrial Park ("Service Contract"); and,

WHEREAS, the amount of professional fees under the proposed Service Contract is estimated to be less than Fifty Thousand and No/100 Dollars (\$50,000.00); and,

WHEREAS, N.C.Gen.Stat. §143-64.32 allows a County to exempt itself from the requirements of N.C.Gen.Stat. §143-64.31, when the amount of professional fees is estimated to be less than Fifty Thousand and No/100 Dollars (\$50,000.00); and,

WHEREAS, the County finds that it is in its best interest to exempt the proposed Service Contract from the provisions of G.S. §143-64.31.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF CRAVEN COUNTY RESOLVES:

Section 1. The above-described Service Contract is hereby made exempt from the provisions of G.S. §143-64.31 for the reasons stated in this resolution.

Section 2. This resolution shall be effective upon adoption.

Adopted this 18th day of May, 2015.

CRAVEN COUNTY
RESOLUTION PURSUANT TO
N.C.Gen.Stat. §143-64.32

WHEREAS, N.C.Gen.Stat. §143-64.31 requires the selection of firms to perform architectural, engineering, and surveying services by a County to be without regard to fee, after public announcement of such services; and,

WHEREAS, Craven County ("County") proposes to enter into an engineering service contract for wetlands determination and geotechnical analysis services for several vacant development lots in the Craven County Industrial Park ("Service Contract"); and,

WHEREAS, the amount of professional fees under the proposed Service Contract is estimated to be less than Fifty Thousand and No/100 Dollars (\$50,000.00); and,

WHEREAS, N.C.Gen.Stat. §143-64.32 allows a County to exempt itself from the requirements of N.C.Gen.Stat. §143-64.31, when the amount of professional fees is estimated to be less than Fifty Thousand and No/100 Dollars (\$50,000.00); and,

WHEREAS, the County finds that it is in its best interest to exempt the proposed Service Contract from the provisions of G.S. §143-64.31.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF CRAVEN COUNTY RESOLVES:

Section 1. The above-described Service Contract is hereby made exempt from the provisions of G.S. §143-64.31 for the reasons stated in this resolution.

Section 2. This resolution shall be effective upon adoption.

Adopted this 18th day of May, 2015.

CRAVEN COUNTY
RESOLUTION PURSUANT TO
N.C.Gen.Stat. §143-64.32

WHEREAS, N.C.Gen.Stat. §143-64.31 requires the selection of firms to perform architectural, engineering, and surveying services by a County to be without regard to fee, after public announcement of such services; and,

WHEREAS, Craven County ("County") proposes to enter into an engineering service contract for roadway extension design and permitting services for Executive Parkway, located in the Craven County Industrial Park ("Service Contract"); and,

WHEREAS, the amount of professional fees under the proposed Service Contract is estimated to be less than Fifty Thousand and No/100 Dollars (\$50,000.00); and,

WHEREAS, N.C.Gen.Stat. §143-64.32 allows a County to exempt itself from the requirements of N.C.Gen.Stat. §143-64.31, when the amount of professional fees is estimated to be less than Fifty Thousand and No/100 Dollars (\$50,000.00); and,

WHEREAS, the County finds that it is in its best interest to exempt the proposed Service Contract from the provisions of G.S. §143-64.31.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF CRAVEN COUNTY RESOLVES:

Section 1. The above-described Service Contract is hereby made exempt from the provisions of G.S. §143-64.31 for the reasons stated in this resolution.

Section 2. This resolution shall be effective upon adoption.

Adopted this 18th day of May, 2015.

DEPARTMENTAL MATTERS: FINANCE – BUDGET AMENDMENTS

Rick Hemphill, Assistant County Manager, Finance/Administration, presented the following budget amendments for the Board’s approval.

Schools

REVENUES	AMOUNT	EXPENDITURES	AMOUNT
101-0000-345-03-00	\$200,000.00	101-8500-480-98-01	\$600,000.00
State tax art 40 ½ ct sch		Schools’ debt service	
101-0000-345-05-00	\$400,000.00		
State tax art 42 ½ ct sch			

TOTAL	\$600,000.00	TOTAL	\$600,000.00
-------	--------------	-------	--------------

Justification: Portion of Article 40 and Article 42 sales tax dedicated to school debt service. Anticipate that revenue will be greater than projected/budgeted. Need to budget the additional revenue expected and corresponding transfer to the school’s Debt Service Fund.

Commissioner Sampson moved to approve the budget amendment, seconded by Commissioner McCabe and unanimously carried in a roll call vote.

Schools

REVENUES	AMOUNT	EXPENDITURES	AMOUNT
101-0000-303-00-00 Late listing penalty tax	\$45,000.00	101-8500-480-37-12 school late list penalty	\$45,000.00
TOTAL	\$45,000.00	TOTAL	\$45,000.00

Justification: Receipt of taxes attributable to late listing penalties has already exceeded amount projected for FY 15. Need to budget the additional revenue expected and corresponding expenditure to schools.

Commissioner Sampson moved to approve the budget amendment, seconded by Commissioner McCabe and unanimously carried in a roll call vote.

Capital Reserve

101-0000-370-40-00 Med hold harmless	\$1,300,000.00	101-0567-400-98-16 Transfer to reserve	\$1,300,000.00
---	----------------	---	----------------

JOURNAL ENTRY

101-0567-400-98-16 Transfer to Reserve	\$1,300,000.00	101-0000-101-00-00 General Fund Cash	\$1,300,000.00
371-0000-101-00-00 County reserve cash	\$1,300,000.00	371-0000-366-01-00 From General Fund	\$1,300,000.00
TOTAL	\$3,900,000.00	TOTAL	\$3,900,000.00

Justification: Need to budget and move \$1,300,000 from General Fund to County Reserve. These funds were received in March 2015 for excess of Medicaid Hold Harmless.

Commissioner McCabe moved to approve the budget amendment, seconded by Commissioner Sampson and unanimously carried in a roll call vote.

**DEPARTMENTAL MATTERS: EMERGENCY SERVICES – HOSPITAL
AMBULANCE LEASE**

Mr. Hemphill presented an Ambulance Lease Agreement with CarolinaEast Medical Center for renewal. Commissioner Dacey moved to approve the lease renewal, seconded by Commissioner McCabe and unanimously carried.

COUNTY ATTORNEY’S REPORT

Offer to Purchase Real Property – 509 Broad Street (Parcel No. 8-002-C-035)

County Attorney, Jim Hicks, presented an offer in the amount of \$190,000.00 that the County has received for the property at 509 Broad Street. The current tax value is \$553,000.00. The offer also contains an additional agreement that the County compensate the potential buyer’s realtor in the amount of 3% of the offer price.

Mr. Hicks stated that he has received phone calls from other interested parties. One is prepared to make an offer but at a lesser price. He advised the Board that it cannot go into closed session for discussing disposition of property.

Commissioner Dacey moved to reject the offer and to ask staff to remove the property from the market, seconded by Commissioner McCabe and unanimously carried.

Mr. Hicks introduced Ross Harbin, a 2nd year law student at Campbell University interning at Sumrell Sugg during the summer.

PRESENTATION OF RECOMMENDED FY 2015-2016 BUDGET

County Manager, Jack Veit, presented the proposed budget for FY 2015-2016, as follows:

Mr. Chairman and Members of the Board of Commissioners:

I respectfully submit for your consideration the recommended fiscal year 2016 budget for Craven County. The proposed budget is balanced and it is recommended that the ad valorem tax rate for the fiscal year 2016 remain at 46.75 cents per \$100 of valuation.

The recommended general fund budget is \$100,735,729 and includes no fund balance appropriation. The current County fund balance is sufficient to provide for unexpected occurrences and is in line with that of our peer counties. Craven County's available fund balance was 26.57% of expenditures at June 30, 2014 while other counties with over 100,000 in population had fund balances averaging 26.29% and all one hundred counties averaged 27.43%.

Revenues for the first ten months of the current year are \$1.7 million ahead of last year for the same time period, while expenditures are approximately \$2.8 million more than last year at the same time.

The increase in revenue is due to an increase in the amount of funds received through the hold harmless agreement of the Medicaid/Sales Tax swap. The hold harmless amount is included in the recommended budget at the higher amount with the reduction of \$125,000 passed by the legislature. The original agreement with the State called for each county to have savings of at least \$500,000 annually from the exchange. The legislature has chosen to eliminate this minimum savings over four years and next year will be the second \$125,000 reduction installment. Additionally, sales tax revenue is currently ten percent higher than the same time last year.

Expenditures and transfers are higher for the first ten months of fiscal 2015 over the prior year due to the budgeted increases in education, transfers to capital reserve and additional funding for rescue squads. These increases in spending are recurring in the budget being presented and will continue in the future. In fiscal 2014, the County ended the year adding approximately \$1.8 million to the fund balance. This provided the ability to transfer \$1 million to the capital reserve earlier in the year. The reserve is a very important part of the County's financial position and provides for future needs and prevents tax increases to fund these capital items.

The current assessed value for fiscal 2016 is estimated to be \$9.9 billion, a one percent increase over the estimate used in fiscal 2015 budget of \$9.8 billion. The County has experienced some growth in the tax base over the past year but the growth is not at the pre-recession levels.

Total revenues and expenditures of \$100,735,729 each, in the recommended budget, are virtually the same as the current budget. Property tax revenue is estimated to increase by 1.2 percent over 2015 budgeted amount. Sales tax revenue is projected to increase by 8.9 percent over the amount budgeted for 2015. The budgeted amount for sales tax next year reflects a 4 percent increase over the last twelve months actual receipts.

Transfers to the General Fund from the Capital Reserve Fund are down approximately \$300,000 from the current budget. Capital outlay and major repair projects were closely examined and only as a result of the Capital Reserve Fund most were able to be funded. Overall capital outlay costs are down approximately \$690,000 compared to the current budget. Of the total capital expenditures of \$1.9 million, \$1 million is funded with transfers from the Capital Reserve Fund. The majority of the capital expenditures deal with technology and facility improvements.

This budget includes no new fees or fee increases. For the first time in three years there is no increase in building inspection fees. Social services revenues are up approximately \$400,000 due to the higher reimbursement rates of 75 percent provided by the State.

Social services expenditures are over \$200,000 lower than the current budget due to lower subsidized child care budgeted. Historically this amount is increased during the year as additional awards are received.

Total salaries are \$551,000 higher than the original budget of 2015. The recommended budget includes a two percent across the board increase for employees. There was no increase in the current year and this increase would be the third in the past seven years. There are four new full time positions in the recommended budget of the general fund. One is an IT technician and three are income maintenance workers in the social services department.

As the County relies more and more on technology it is necessary to add technicians who can support the various systems throughout the County. The social service employees are needed to meet the demands of the NCFAST system which is now being used for Medicaid eligibility as well as nutrition. In addition to the new full time positions there is a recommendation to make a part time shelter attendant in animal control a full time position. This is in anticipation of an increase in the animals housed in the expanded facility. In the water fund a treatment plant supervisor is recommended to be hired midway during the year. This person will be instrumental in the operation of the treatment plant and needs to be employed now to be involved in the plant construction and beginning of operations.

Total benefit costs are budgeted to be \$381,000 higher than the current budget due to a recommended ten percent increase in health and dental premiums needed to fund the County's self-insured plan. The County has experienced higher than normal claims for the second year in a row and this increase will apply to both the County and the employee premiums. The County's plan will continue to not cover most preventive care.

The budget includes a \$767,250 increase in current expense and technology for the public schools which will provide funding for lost revenue in other line items, a \$100 increase in the teacher's supplement, additional payments required for charter schools, and the funds required to replace the 1,570 computers which have an operating system no longer being supported. Capital outlay for the public schools is recommended to increase by \$418,000 and provide for the replacement of two transformers located inside school buildings, a roof replacement at New Bern High School, HVAC replacement at some of the Brinson classrooms, a new activity bus, furniture and equipment replacement, and two utility bodies for service trucks. The budget funds the Craven Community College requested current expense, which is \$50,000 more than the current year to be used to do a feasibility study for the proposed STEM building on the Havelock campus. Capital outlay for the college is retained at \$500,000 as agreed to previously with half of that amount coming from the Capital Reserve.

This budget has both good and bad elements. It is good to be able to provide the employees with a salary increase but at the same time they will be required to pay more for their dependent health insurance. It is bad to add three new employees at social services to deal with a problem created by the State but it is good that the overall funding for social services is decreasing. It is not good to have to replace a roof at New Bern High School or replace 1,500 computers in one year, but it is a good thing that the funds are available to do this without a tax increase.

As always, 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 or other programs such as drivers education, 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 1, 2015 and conduct budget study sessions as required.

Respectfully submitted,

Jack Veit, Craven County Manager
May 18, 2015

Commissioner Mark moved to set a public hearing for 7:00 p.m. on June 1, seconded by Commissioner McCabe and unanimously carried.

Commissioner Dacey expressed interest in finding out if the school system has a booster fund that can fund projects such as an activity bus replacement.

COUNTY MANAGER'S REPORT

County Manager, Jack Veit, recommended that the Board schedule a work session on June 15, 2015 following the regular meeting to meet with Department of Transportation representatives, Hugh Overholt, John Rouse, Durwood Stephenson and Mark Finlayson.

Mr. Veit reminded the Board of scheduled budget work sessions on May 26 and June 1, and also suggested June 3 or June 4 for the last budget work session, following the June 1 public hearing, instead of June 2. Consensus was that a date will be finalized after the May 26 and June 1 budget work sessions, when the amount of remaining time needed can be better gauged.

APPOINTMENTS

Fire Tax Commissioners: Tim Harvey

Commissioner Dacey nominated Chad Anderson to replace Tim Harvey on the Fire Tax Commission. There being no additional nominees, Mr. Anderson was appointed by acclamation.

Down East RPO (Rural Planning Organization): John Wetherington

Commissioner Jones nominated Dred Mitchell, subject to verifying his multiple office holding status, to replace John Wetherington on the Down East RPO. There being no additional nominees, Mr. Mitchell was appointed by acclamation.

Nursing Home Advisory Committee: Cheryl Stevenson

Commissioner Mark nominated Jessica Edwards to replace Cheryl Stevenson on the Nursing Home Advisory Committee. There being no additional nominees, Ms. Edwards was appointed by acclamation.

Eastern Carolina Regional Housing Authority: Arlene Clifton

It was the consensus of the Board to defer this appointment.

Eastern Carolina Behavioral Health Regional Advisory Board

Commissioner Mark nominated David Creech to the Eastern Carolina Behavioral Health Regional Advisory Board. There being no additional nominees, Mr. Creech was appointed by acclamation.

Upcoming Appointments

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

June

- Craven Community College
- Community Child Protection Team
- Eastern Carolina Workforce Development
- EMS Advisory Council
- Firemen's Relief Fund
- Fire Tax Commissioner
- Juvenile Crime Prevention Council
- Nursing Home Advisory Committee
- Planning Board
- Recreation and Parks
- Coastal Carolina Airport Authority
- Tourism Development Authority

COMMISSIONERS' REPORTS

Commissioner Mark reported on his attendance at the Coastal Regional Solid Waste Management Authority meeting recently and stated that the budget was presented and adopted with \$9,841,464 in revenues and \$9,841,461 in expenditures. There were no violations or corrective actions at the landfill cited during the State inspection.

Commissioner Sampson commented on rising gas prices and the high cost of groceries. He reported on the ribbon cutting on Friday for Sampson Street park and stated there was an outstanding crowd in attendance. He commented that the park was in good use before the grand opening, and he thanked volunteers, the County Manager, Assistant County Manager and County Attorney for attending. He reported that Duffest was also well attended. He stated that the East Carolina Workforce Development Board has a good program in place to put people to work. Duplin County's program tracks children from pre-k to college relative preparation for work and he believes that Eastern Carolina Workforce Development may be trying to replicate that model.

Commissioner Dacey reported that he held a monthly Town Hall meeting at River Bend where the Mayor left a copy of their packet for Town Hall Day at the General Assembly, which will be left in the Commissioners' Office. He stated that ACT will hold a series of events throughout the community; Pollocksville, Morehead, and Havelock events are coming up soon. He stated that the County Manager and Assistant County Manager met with him at Creekside Park to survey the fields and determine if there are any solutions to water retention on the fields, causing frequent rain-outs, but none were identified.

Chairman Tyson reported on his attendance at the Craven Community College graduation where the youngest graduate was 16 and the oldest was 65 years old.

At 10:55 a.m. Commissioner Jones moved to recess to reconvene at Cooperative Extension for the annual update, seconded by Commissioner Mark and unanimously carried.

The Board adjourned from Cooperative Extension at 12:30 p.m., to reconvene in budget work session at 8:00 a.m. on Tuesday, May 26.

Chairman Steve Tyson
Craven County Board of Commissioners

Gwendolyn M. Bryan
Clerk to the Board