

**THE BOARD OF COMMISSIONERS OF THE COUNTY OF CRAVEN  
RECONVENED ITS REGULAR SESSION OF JUNE 6, 2016 ON JUNE 16, 2016 AT  
1:00 P.M. IN THE COMMISSIONERS' ROOM OF THE CRAVEN COUNTY  
ADMINISTRATION BUILDING, 406 CRAVEN STREET, NEW BERN, NORTH  
CAROLINA. THE PURPOSE OF THE MEETING WAS TO CONDUCT A BUDGET  
WORK SESSION.**

**MEMBERS PRESENT:**

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

**STAFF PRESENT:**

Jack B. Veit III, County Manager  
Gene Hodges, Assistant County Manager  
Craig Warren, Finance Director  
Amber Parker, Human Resources Director  
Gwendolyn M. Bryan, Clerk to the Board  
Jim Hicks, County Attorney

**Area Day Reporting Center (ADRC)**

County Manager, Jack Veit, reported the results of his outreach to Barbara Lee concerning the Area Day Reporting Center statistics, as follows:

1. The school system has sent over fewer referrals in the last few years compared to times past. She indicated her belief is that the school system is doing more programs in house that limit the number of potential referrals.
2. As indicated by the schools, she also noted that she is now serving more long-term suspension students placed in her program. These students are counted as one admission but actually are served for a much longer period of time with the same need for resources.
3. Less children are being suspended. Obviously other alternatives are being considered for discipline and relates back to point #1.
4. The ADRC program is reliant on parents providing transportation for students served. They do not have a means to transport any students. It requires effort by parents or guardians to make it work, sometimes this just does not happen.
5. No changes have been made to any current program, they have added a summer school program and an after school care program.

Ms. Lee offered to meet with Commissioners and provide a tour of the facility if necessary. However, she noted that it is summer so it will not be running at full speed as during the school year.

Commissioner Sampson recommended funding the request at \$7,500.

Commissioner Dacey inquired if CARTS could be utilized to ease the transportation challenge to ADRC. Assistant County Manager, Gene Hodges, stated that students can ride, but there is no funding stream for them. They would be required to pay.

It was the consensus of the Board to fund the program at \$7,500, as requested.

Mr. Veit distributed changes so far to the recommended budget, which adds \$79,872 of fund balance appropriation. All special appropriations remain the same as last year except American Red Cross.

**School's Capital Fund**

Mr. Veit distributed the following proposed policy regarding the treatment of Category I schools capital outlay allocations.

## CRAVEN COUNTY

POLICY REGARDING  
Treatment of Category 1 Capital Outlay Allocations  
in Excess of \$100,000.00 In Support of Craven County Schools

1. Commissioners shall approve the capital budget of the Craven County Board of Education with the adoption of the County's annual budget ordinance, and shall allocate Category 1 capital outlay funds by project if in excess of \$100,000.00. The remainder of this Policy is only for such budgeted projects exceeding \$100,000.00.
2. The total amount allocated for Category 1 capital outlay projects will be based upon good faith estimate for contracting costs for all projects approved by the Commissioners in the County's budget ordinance for that particular fiscal year.
3. Such funds approved for Category 1 capital outlay expenditures will be held in a Schools' Capital Project Fund by Craven County and are specifically enumerated for the exclusive use by Craven County Board of Education.
4. Craven County Board of Education shall design, bid, award and execute all contracts for Category 1 capital outlay projects, after consultation with the Craven County Manager at both the final design stage, and subsequent to bid openings but prior to bid awards.
5. Craven County disburses from the Schools' Capital Project Fund to Craven County Board of Education such funds as are necessary to meet the contract terms for each approved Category 1 capital outlay project on a monthly basis based upon approved contractor invoices for the prior month.
6. Should any Category 1 capital outlay project contract amount differ from the amount approved in the County's budget ordinance, whether at the time of contract award or subsequent due to actual final cost adjustments, then the parties will proceed as follows:
  - A. In the event the final contract amount is in excess of the amount allocated in the County's budget ordinance, then the Board of Education will either: (i) utilize its capital outlay fund balance for the difference; (ii) utilize its general fund balance if approved by the Board of Commissioners, which approval may be withheld for any reason; or (iii) request that the County amend its budget ordinance to reallocate funding of Category 1 capital outlay projects, which amendment the County may withhold for any reason.
  - B. In the event the final contract amount is less than the amount allocated in the County's budget ordinance, then the Board of Education will either: (i) agree to an appropriations reduction of this difference in accordance with G.S Section 159-13(b)(9); or (ii) request the County to consent to reallocate the excess funds for other specific capital outlay projects, which consent the County may withhold for any reason.

County Attorney, Jim Hicks, stated that the County does have the authority to appropriate funds on a "by project" basis. Any funds that are appropriated to the Board of Education may not be reverted to the County without the Board of Education approval; however, the proposed policy addresses this issue. Unspent funds would be held in schools' capital projects fund, and would remain in the fund until needed. Approval on a policy level is sufficient, unless there is a desire to enter into an interlocal agreement with the Board of Education. Funds would be appropriated annually. Commissioner Dacey stated that the proposal meets his objectives. The Board was asked to determine the level of expenditure to be dictated by this policy.

Commissioner Dacey moved to adopt a policy for projects over \$100,000, seconded by Commissioner Mark and unanimously carried.

There was discussion of including in item #4, a designee of the County Manager; however, it was the consensus that "consultation" language in the clause provides for others to be involved at the table.

Commissioner Jones moved to go forward with the document, seconded by Commissioner McCabe and unanimously carried.

### **Quarterly Funding of Schools Operation Funds**

Mr. Veit reported that advancing the schools' funding quarterly rather than monthly could negatively impact the County's cash flow.

Commissioner Tyson suggested advancing the first quarter's allocation on July 1 and dividing the remainder by ninths and distribute the funds monthly for the remainder of the year. It was the consensus of the Board to approve this concept.

Commissioner Dacey introduced the concept of extending a line of credit to help with possible cash flow problems for the schools. Finance Director, Craig Warren, responded that he will check with his counterpart at the Board of Education; however, he stated that they did not request these alternatives to ease cash flow. He was unsure that there is an actual need.

County Attorney, Jim Hicks, departed from the meeting.

### **Water Fund**

Mr. Veit explained that the budget for the water fund, which is self-supporting, begins to account for operation of the water plant coming on line within the year and reflects two new employees.

There was a notation to check if utilities are with the City or with Duke Energy.

Mr. Veit stated that water rates will need to be reassessed once the plant comes online to determine if the rates are in line for the system to remain self-sustaining.

Debt service is \$800,000 per year for 20 years at 0%.

### **Capital Improvement Plan**

Mr. Veit reviewed FY 2018 projections in the Capital Improvement Plan (CIP).

Dennis Holton, Information Technology (IT) Director, joined the meeting.

IT capital projects reflect the need to update the operating platform. Mr. Holton recommended that the transition needs to occur as far away from the next revaluation as possible to avoid potential negative impacts on the revaluation process.

It was the consensus of the Board to add \$50,000 from water funds to paint the water tank at Industrial Park in 2017.

Commissioner Dacey stated that he noticed there was not a line item for library capital projects. Mr. Veit responded that there is not any revenue stream or plan yet. Commissioner Dacey stated that he will bring up the issue with the New Bern Library Board. Commissioner Liner stated that he will also bring up the issue with the Regional Library Board.

Mr. Warren stated that the County is expecting additional Medicaid max funds for two years: last year and this year. He proposed to transfer funds into capital reserve (\$750,000) to fund out to 2022. If there is no budget amendment to authorize this, the funds will roll into fund balance. This will be on the June 20, 2016 agenda.

At 3:12 p.m. Commissioner Dacey moved to adjourn, seconded by Commissioner Sampson and unanimously carried.

### DEPARTMENTAL MATTERS: FINANCE – BUDGET AMENDMENTS

Craig Warren, Finance Director, presented the following budget amendments for the Board's approval.

#### *Health Benefits*

REVENUES	AMOUNT	EXPENDITURES	AMOUNT
512-0000-399-01-00 Fund Balance Current	\$200,000.00	512-0321-400-40-81 Health Claims	\$200,000.00
TOTAL	\$200,000.00	TOTAL	\$200,000.00

**Justification:** Need to budget additional funds to cover health insurance claims through the remainder of the fiscal year '16.

Mr. Warren stated that health claims are running 4% less than the same time last year.

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

#### *Schools*

REVENUES	AMOUNT	EXPENDITURES	AMOUNT
101-0000-345-03-00 State Tax art 40 ½ cent sch	\$ 75,000.00	101-8500-480-98-01 Schools debt service	\$250,000.00
101-0000-345-05-00 St Tax art 42 ½ cent sch	\$175,000.00		
TOTAL	\$250,000.00	TOTAL	\$250,000.00

**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 Debt Service Fund.

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

#### *Rescue Squads*

REVENUES	AMOUNT	EXPENDITURES	AMOUNT
101-2827-357-51-00 Ft. Barnwell rescue fee	\$ 2,390.00	101-2827-410-33-10 Ft. Barnwell 90% collection	\$2,151.00
		101-2801-410-40-03 Collection cost	\$ 239.00
101-2828-357-49-00 Bridgeton rescue fee	\$19,000.00	101-2828-410-33-10 Bridgeton 90% collection	\$17,100.00
		101-2801-410-40-03 Collection cost	\$ 1,900.00
101-2829-357-50-00 Vanceboro rescue fee	\$ 6,900.00	101-2829-410-33-10 Vanceboro 90% collection	\$ 6,210.00
		101-2801-410-40-03 Collection cost	\$ 690.00

**RC061616****APPROVED**

101-2831-357-56-00 \$ 2,040.00  
Twp. #7 rescue fee

101-2831-410-33-10 \$ 1,836.00  
Twp. #7 90% collection  
101-2801-410-40-03 \$ 204.00  
Collection cost

101-2825-357-53-01 \$ 2,656.00  
Jail ambulance transpt

101-2825-410-41-25 \$ 2,656.00  
Jail ambulance trasnpt

TOTAL \$32,986.00

TOTAL \$32,986.00

**Justification:** Need to assess/adjust ambulance billing fees. The amount received this fiscal year dictates an increase to budget for fees received and the corresponding 90% to the squads and 10% for collections.

NB/Craven rescue transports inmates to and from hospital and jail. Jail is responsible for these costs. Due to increased transports, amount billed has already exceeded the budget.

Commissioner Mark moved to approve the budget amendment, as requested, seconded by Commissioner Jones and unanimously carried in a roll call vote.

***General/County Reserve***

<b>REVENUES</b>	<b>AMOUNT</b>	<b>EXPENDITURES</b>	<b>AMOUNT</b>
101-0000-399-01-00 Fund balance current year	\$750,000.00	101-0567-400-98-16 Transfer County reserve	\$750,000.00
TOTAL	\$750,000.00	TOTAL	\$750,000.00

**Justification:** Year end transfer to County reserve.

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

**APPOINTMENTS*****River Bend Board of Adjustment (Extraterritorial Jurisdiction)***

Commissioner Dacey nominated Rick Fisher for appointment to the River Bend Board of Adjustment (Extraterritorial Jurisdiction). There being no additional nominations, Mr. Fisher was appointed by acclamation.

***Craven Aging Planning Board: Joy Hudson***

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

***Agricultural Advisory Committee: Jimmy Arthur***

It was the consensus of the Board that this appointment be deferred.

***Juvenile Crime Prevention Council: Dawn Gibson, Todd Stuart***

The Board was advised of the expiring terms of Dawn Gibson and Todd Stuart on the Juvenile Crime Prevention Council. Commissioner Sampson nominated Todd Stuart for reappointment. There being no additional nominees, Mr. Stuart was reappointed by acclamation. The appointment of Ms. Gibson was deferred.

***Nursing Home Advisory Committee: Martha Bryant-Watkins***

Commissioner Jones nominated Pamela Johnson for appointment to the Nursing Home Advisory Committee to replace Martha Bryant-Watkins, who has resigned. There being no additional nominations, Ms. Johnson was appointed by acclamation.

*Recreation and Parks Advisory Board: Dickie Fairburn, Cathy Frazier, Abel Sandoval, Bill Taylor*

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

*Voting Delegate to the NACo Annual Conference*

Commissioner Jones nominated Commissioner Dacey as the voting delegate for the NACo Annual Conference. There being no additional nominations, Commissioner Dacey was appointed by acclamation.

*Upcoming Appointments*

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

### **July**

- Craven Aging Planning Board
- Planning Board
- River Bend Board of Adjustment

### **August**

- Clean Sweep Committee
- EMS Advisory Council
- Fire Tax Commissioners

## **COUNTY MANAGER'S REPORT**

Mr. Veit announced that things are progressing well on the C1A Board and several initiatives are underway.

The Site Development Committee chaired by Commissioner Tyson is very active and looking at the development of Shell buildings, infrastructure, etc. He reported that the last piece of property in Industrial Park is on an unpaved portion of the road is looking for assistance from D.O.T. and Commerce in order to make it more marketable by improved access. The Board's involvement will most likely be needed.

He announced that an Entrepreneur Center report will be presented in July and an open entrepreneurial networking event will be held on June 22 at 5:30 p.m. at the New Bern Chamber of Commerce and is being sponsored by the C1A.

Mr. Veit reported on his attendance at a Highway 17 Committee meeting the previous week with Commissioner Mark and Planning Director, Don Baumgardner. He stated that there was discussion about Highway 64 and that Highway 17 is still a struggle.

He reported on his attendance at an ACT meeting recently and stated that they are still searching for options for an engineering building in Havelock.

Mr. Veit noted that this was Finance Director, Craig Warren's, first budget and thanked him for doing a great job.

## **COMMISSIONERS' REPORTS**

*Commissioner Dacey* thanked the County Manager and staff for the development of the budget. He announced that on June 10 and 11 the NCACC Board met in Ashville. He provided an update on Commerce activities, stating that North Carolina economy is ninth in the United States and number one in growth at 3.8% and has some of the lowest taxes in the southeast. They are having to focus on 1) workforce development; also 2) access to capital for small and medium sized businesses. They are looking at how to deploy the State's existing resources, such as inventory of unused or under used buildings. A legislative update was also presented.

He announced a Town Hall meeting will be held on June 30 from 4:00-5:00 p.m. at River Bend Town Hall.

*Commissioner McCabe* wished belated Father's Day blessings and asked people to pray for Orlando. He stated that such a tragedy can happen here too and we must be prepared to help one another.

*Commissioner Jones* announced that Kay Yates, Farm Service Agency, will be starting nominating process for Vanceboro, Ft Barnwell July 15 – August 1.

*Commissioner Tyson* stated that another unfunded mandate is unreimbursed medical expenses for inmates. He reported that ACT advises that schools are one of the major issues looked at in BRAC.

*Commissioner Sampson* announced that he has visited a few adult care homes and many of the residents are not being well cared for. More attention needs to be focused on the welfare of seniors.

*Chairman Liner* commended staff and stated that this was the first year that revaluations lost value. He thanked the Board.

Commissioner Dacey thanked the Chairman for keeping the Board focused.

At 9:40 a.m. Commissioner Tyson moved to adjourn, seconded by Commissioner Sampson and unanimously carried.

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Chairman George S. Liner  
Craven County Board of Commissioners

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Gwendolyn M. Bryan  
Clerk to the Board