

1 **THE BOARD OF COMMISSIONERS OF CRAVEN COUNTY RECONVENED ITS**
2 **RECESSED SESSION OF MAY 18, 2020 ON MAY 20, 2020 AT 8:30 AM IN THE**
3 **COMMISSIONERS' ROOM OF THE CRAVEN COUNTY ADMINISTRATION**
4 **BUILDING, 406 CRAVEN STREET, NEW BERN, NORTH CAROLINA. THE**
5 **PURPOSE OF THE MEETING WAS TO CONDUCT A BUDGET WORK SESSION.**

6
7 **MEMBERS PRESENT:**

8 Chairman Thomas F. Mark
9 Vice Chairman Jason R. Jones
10 Commissioner Denny Bucher
11 Commissioner George S. Liner
12 Commissioner Theron L. McCabe
13 Commissioner E.T. Mitchell
14 Commissioner Johnnie Sampson, Jr.

15
16 **STAFF PRESENT:**

17 Jack B. Veit, III, County Manager
18 Craig Warren, Finance Director
19 Nan Holton, Clerk to the Board

20
21 **REMOTE STAFF:**

22 Gene Hodges, Assistant County Manager
23 Amber, Parker, Human Resources Director

24
25 County Manager, Jack Veit, provided a procedural overview, stating this is an Open Meeting
26 which is being filmed and recorded, and airing in another room so that the public can attend
27 while we abide by the COVID 19 social distancing restrictions. He reviewed the proposed
28 schedule and encouraged open dialogue throughout the meeting. Mr. Veit explained the
29 structure of the Budget and Supplemental materials that were provided.

30
31 Finance Director, Craig Warren, explained the latest monthly financial report through April 30,
32 2020. He stated this is just a snapshot of that point in time and it represents 83.3% of the fiscal
33 year. Mr. Warren indicated the County is \$3.6 million to the good right now, and was having a
34 better year up until COVID 19. Since then, big decreases in sales tax and occupancy taxes have
35 been recognized.

36
37 In review of the Water Fund, Mr. Warren reported it is healthy and growing; and our rates are
38 low and competitive. There was discussion regarding the possible need for policy changes or
39 restructuring methods so bills could be paid off incrementally as a result of the COVID 19
40 regulations.

41
42 Mr. Warren continued his review with the General Fund Balance, highlighting the ending fund
43 balance as of April 30, 2020 was \$41,929,986. He addressed several questions regarding FEMA
44 payments and applications.

45
46 Moving to Tab #2 in the Budget, Mr. Warren provided a review of the General Fund Balance
47 Analysis and remarked that \$1,454,559 has been appropriated to date. As of June 30, 2019
48 Craven County was at 27.90% in comparison to the Group average of 28.06% and the State
49 average of 30.43%. There was discussion regarding expenditures, and insurance and FEMA
50 payments related to Hurricane Florence.

51
52 Mr. Veit referred the Board to the Net County Cost chart comparing the FY21 budget to the
53 FY20 budget. In review he informed them items in red were coming in less than last year, and
54 items in black are where they are coming in more than last year; they should use this chart as a
55 quick reference guide as they work through the budget. He reminded them that when the
56 department heads submitted their budget requests, things were running smoothly and then
57 COVID 19 entered the picture. He indicated the original budget requests were \$10,378,043 to
58 the bad and that \$3 million has been pulled out of it, and \$2.4 million is coming from the Capital
59 Reserve Fund. He stated this was a tough budget, as the County's revenues and outlook changed
60 significantly in March.

61

62 Moving to Tab #5, Mr. Warren referenced that one cent equates to \$983,268 on the valuation and
63 that \$2.9 million equates to about a 5% increase in property tax. He stated that motor vehicle
64 revenues exceeded \$1 billion, which is up \$150 million from previous years.

65
66 As the various sales tax revenues were reviewed, Mr. Veit and Mr. Warren emphasized that these
67 are the biggest unknown going forward into the FY21 budget. He explained the stance they took
68 was a staggered recovery approach, using the past 12 months and reducing it by 20% for the last
69 quarter of this year, then reducing the first quarter by 20%, the second and third quarters reduced
70 by 10%, and the fourth quarter reduced by 5%. He indicated an \$800,000 decrease from
71 previous years in sales tax is recognized based on these percentages. After much discussion
72 regarding the unemployment rate, consumer confidence, ABC sales and Medicaid Hold
73 Harmless payments, it was reported that a Fund Balance Appropriation of \$1,065,553 is used to
74 balance this budget.

75
76 **FIRE DEPARTMENTS**

77
78 The Board of Commissioners reached general consensus, as follows, concerning the Fire
79 Departments tax rates:

- 80
- 81 ❖ Rhems District/West New Bern #2 – maintain the tax rate of .0400
- 82 ❖ Vanceboro Township #1 – maintain tax rate of .02690
- 83 ❖ TRI Community – maintain tax rate of .05550
- 84 ❖ Little Swift Creek – maintain tax rate of .06500
- 85 ❖ Township #3 – maintain tax rate of .09000
- 86 *It has been recommended they split the rescue squad and fire department so they can*
- 87 *qualify for grants.*
- 88 ❖ Township #5 – maintain tax rate of .06530
- 89 ❖ Township #6 – maintain tax rate of .05000
- 90 ❖ Township #7 – maintain tax rate of .02500
- 91 ❖ West of New Bern – *increase tax rate to .05000 or see if they want to use part of their*
- 92 *fund balance.....this will be revisited*
- 93 ❖ Township #9 – maintain tax rate of .07460
- 94 ❖ Sandy Point – maintain tax rate of .06720

95
96 A break from taken from 10:05 until 10:15 a.m.

97
98 **COMMISSIONERS EXPENDITURES**

99
100 Mr. Veit began the review of the expenditure side of the County’s budget, starting with the
101 Commissioners’ account. He remarked specifically on the Legal Services, indicating that due to
102 mandates on 160D Ordinances having to be rewritten, the County would like to undertake a
103 complete review of all of its ordinances. Currently, this is not in the budget, but it is a project
104 that will be coming back to the Board.

105
106 In discussing the Membership Dues, Commissioner Liner requested a review of the ECC
107 components of aging and the RPO and MPO, to see if they could pull out of the membership and
108 just pay those fees. In regards to Hwy. 17 Membership Dues, Chairman Mark provided a
109 historical review of that organization and benefits not obtained for Craven County residents.
110 Discussion focused on the FY19-20 Budget appropriation to this organization and previous
111 actions of the Board. Commissioner Liner motioned to appropriate \$12,500 in addition to what
112 was originally appropriated in the FY19-20 Budget. His motion was seconded by Commissioner
113 McCabe and carried 7-0 in a roll call vote.

114
115 ***Finance***

116	117	118	119	120	121	122	123
	REVENUES	AMOUNT	EXPENDITURES	AMOUNT			
	1010000-39901	\$12,500	1014110-41516	\$12,500			
	Current Year Fund Balance		Membership Fees				
	TOTAL	\$12,500	TOTAL	\$12,500			

124 **Justification:** During the May 20, 2020 budget work session, the Board agreed they would like
125 to complete the funding request totaling \$25,000 for the Highway 17/64 corridor project out of
126 current fiscal year budget. The first payment of \$12,500 has already been completed.

127
128 Chairman Mark expressed his dissatisfaction of paying for one commissioners' Chamber of
129 Commerce membership fees, given they are provided with an expense account. He said it was
130 unfair to the citizens of the county to be paying those fees.

131
132 Mr. Veit highlighted that due to the cancellation the NACO Conference in Orlando, FL and the
133 NC ACC Conference in Cabarrus County, both related to COVID 19, the travel/training budget
134 will be reduced by \$12,765. The Board engaged in an impassioned debate over what
135 conferences were available to attend and who could attend future conferences.

136 Initially Commissioner Mitchell made the motion that participation for the 2021 DC NACO
137 Conference be limited to the Chair, the Vice-Chair and the County Manager; seconded by
138 Commissioner Bucher. Commissioners Sampson and McCabe were fervidly opposed to having
139 others impose restrictions on something they considered an individual choice by each
140 Commissioner. Commissioner Liner stated that each commissioner has to answer to their own
141 constituents about how they spend their tax dollars. Commissioners Mitchell and Bucher
142 withdrew their motions. Commissioner Mitchell motioned to delay any decisions about who
143 would attend the DC NACO Conference until a winter work session; her motion was seconded
144 by Commissioner Jones and carried unanimously.

145
146 Mr. Veit referenced a new line item for Community Outreach in the amount of \$2,750. He stated
147 this is to cover costs associated with conducting another Citizens Academy, and remarked that he
148 is not as comfortable with this given the current circumstances. After discussing different
149 viewpoints, a majority of the Commissioners were in favor of keeping the line item active.

150
151 **SPECIAL APPROPRIATIONS**

152
153 Mr. Veit reviewed the application process and documents required for submission for a Special
154 Appropriation to be considered. He reviewed that the appropriation of \$161,672 to the Forest
155 Resources is the County's cost share of their budget; and the \$83,622 to the City of Havelock is a
156 continuation upon a previous agreed upon amount.

157
158 Structured Day Reporting requested \$7,500 in their application. There was discussion regarding
159 their request for additional funds over and beyond the funding already given to them through
160 JCPC. Commissioner Sampson agreed to contact Barbara Lee and report back to the Board.

161
162 Promise Place requested \$25,000 and it was agreed this program provides a needed service to the
163 County. Commissioner Jones motioned to approve the \$25,000; seconded by Commissioner
164 McCabe and approved unanimously.

165
166 In an effort to move things along, Commissioner Liner motioned to approve the same amount to
167 any organization that had requested funds in the previous fiscal year. Due to lack of a second, he
168 withdrew his motion.

169
170 Coastal Women's Shelter requested \$25,000. Commission Liner motioned to approve the
171 \$25,000; seconded by Commissioner Sampson and approved unanimously.

172
173 It was determined that more research was needed to make a decision regarding appropriations for
174 Senior Companion.

175
176 Commissioner Mitchell motioned to approve \$5,000 for Disaster Recovery Alliance. Her motion
177 was seconded by Commissioner Liner and approved unanimously.

178
179 The Town of Dover made a request of \$10,000 to support improvements for recreation.
180 Commissioner Jones stated he was always an advocate and thankful for what the County has
181 done for them, but with the current budget restraints, he indicated this was not the year to fund
182 this. No funding appropriations were made to the Town of Dover.

183

184 Merci Clinic requested \$35,000 in their application. After discussing, Commissioner Mark
185 recommended approval for \$10,000; his motion was seconded by Commissioner Jones and
186 carried unanimously. There was discussion about them being eligible for COVID 19 funding.
187

188 Mr. Veit reviewed that Beaver Management is a part of the USDA that enables people to opt into
189 this program and get a reduced rate. In the past they were allocated \$4,000, but requested \$6,000
190 this year. Commissioners discussed the difference between this program and funding Beaver Be
191 Gone, determining the difference is that citizens have the ability to schedule the service for a
192 specific location on their property with Beaver Management. Commissioner Mitchell motioned
193 to approve the \$6,000. Commissioner Jones seconded and it was carried unanimously.
194

195 Commissioner Mark motioned to fund RCS at \$26,000, as requested; his motion was seconded
196 by Commissioner Liner and approved unanimously.
197

198 The American Red Cross applied for \$12,000 in funding. Commissioner Liner motioned to fund
199 them at \$6,000. His motion was seconded by Commissioner Mitchell and approved 6-1
200 (McCabe – Nay).
201

202 The First TEE is a new applicant and requesting \$2,000 for their program. After discussion, no
203 funding was appropriated to The First Tee.
204

205 Realize U-252 is a new applicant requesting \$25,000 for scholarships to reduce expenses for
206 abuse recovery. Mr. Veit provided an overview of what their organization does and read their
207 mission statement. Commissioner Bucher spoke in favor of the organization. The
208 Commissioners talked about the Dix Crisis Center, medical responsibility, and the need to be
209 budget conscience. Commissioner Bucher motioned to approve funding of \$25,000 to Realize
210 U-252. His motion was seconded by Commissioner McCabe. The motion was defeated by 4
211 Nays (Mark, Jones, Mitchell, Liner) to 3 Ayes (Bucher, Sampson, McCabe).
212

213 The New Bern Preservation Foundation is another new applicant seeking \$25,000 for the
214 renovation of the Masonic King Solomon building. Commissioner Sampson motioned to fund
215 the \$25,000 and Commissioner McCabe seconded. Discussion about doing historic preservation
216 during a lean year ensued. The motion was defeated by 5 Nays (Bucher, Jones, Liner, Mark,
217 Mitchell) to 2 Ayes (McCabe, Sampson).
218

219 The Boys and Girls Club requested \$25,000 in their application. Commissioner Mark motioned
220 to fund them at \$5,000. His motion was seconded by Commissioner Liner and carried 5 (ayes:
221 Bucher, Jones, Liner, Mark, Mitchell) -2 (Nays: McCabe, Sampson). Commissioner McCabe
222 motioned to give the Boys and Girls Club another \$5,000 for a total of \$10,000. Commissioner
223 Mitchell seconded his motion and it carried 5 (Ayes: McCabe, Sampson, Bucher, Liner,
224 Mitchell) -2 (Nays: Jones, Mark).
225

226 Lunch Break was taken from 12:30 – 12:55 p.m.
227

228 **ADMINISTRATION EXPENDITURES**

229

230 Mr. Veit then reviewed the Administration's Budget highlighting the reduction of the
231 Travel/Training line item by \$1,585 due to cancellations.
232

233 He called on Clerk to the Board, Nan Holton, to address the Contracts line item. Ms. Holton
234 reviewed that Granicus is the platform from which the Boards and Commissions appointments
235 are maintained. She indicated that it was in place prior to her employment and that the contract
236 increases between 5-10% annually, with no added benefit. Based upon that, Ms. Holton reported
237 she reviewed other products during the year and identified Clerk Base OnBoard as another viable
238 option for a contract price of \$3,999.00, with no mandatory annual increases. This would reduce
239 the Contract line item by \$9,000 this year alone. Commissioner Liner motioned to authorize the
240 Chairman to sign a contract with OnBoard in the amount of \$3,999.00 for a new Boards and
241 Commissions platform to be effective July 1, 2020. His motion was seconded by Commissioner
242 Mitchell and carried unanimously.
243
244
245

246 **HUMAN RESOURCES**

247

248 Human Resources is adding one position known as a Payroll Specialist for an increase of
249 \$43,493.00.

250

251 **INFORMATION TECHNOLOGY**

252

253 Information Technology is adding a Database Analyst for an increase of \$63,538.00.

254

255 **GIS MAPPING**

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257 **FINANCE**

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259 **ELECTIONS**

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261 **TAX ASSESSOR**

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263 **TAX APPRAISAL**

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265 **TAX COLLECTIONS**

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267 **REGISTER OF DEEDS**

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269 A break was taken from 2:00-2:15 p.m.

270

271 **PUBLIC BUILDINGS (Facilities, Housekeeping/Grounds, Maintenance, Convention**
272 **Center)**

273

274 Assistant County Manager, Gene Hodges, joined the Commissioners and provided details on the
275 recommended Capital Improvement Projects outlined for Maintenance in FY21.

276

277 **COURT FACILITIES (Court Counselors/old St. Luke's Hospital, Havelock Court**
278 **Facilities**

279

280 Mr. Hodges reminded the Board that the County is losing the Havelock Court Facilities due to
281 road construction in that area. He indicated that a County-owned piece of property has been
282 identified where this could be relocated, with added parking spaces, the ability to put an elections
283 room and have flex space for Veteran's Affairs. Mr. Hodges stated that \$60,000 is needed to
284 conduct surveys. Commissioner Liner motioned to approve adding \$60,000 to the FY21 budget
285 for surveys; his motion was seconded by Commissioner Sampson and carried unanimously.

286

287 **MAINTENANCE**

288

289 Mr. Hodges presented two reclassifications for Maintenance: reclassifying Zach Chenowith as
290 Assistant Director; and a woman who currently works part-time at the Garage to a combined
291 position with Maintenance doing administrative work.

292

293 **COUNTY GARAGE**

294

295 Mr. Hodges reviewed the County Garage budget, seeking authorization that \$82,000 from
296 FEMA for vehicles flooded during Hurricane Florence could be used to purchase four (4) 2020
297 Ford Fusions. Commissioner Liner motioned to approve authorization of expending \$82,000 to
298 purchase four (4) Ford Fusions. His motion was seconded by Commissioner Mitchell and
299 carried unanimously. Mr. Hodges indicated he would submit a Budget Amendment to them
300 before the end of the year to address this topic.

301

302 **NON-DEPARTMENTAL ACCOUNT**

303

304 Mr. Warren presented information regarding this account, remarking this is where he will
305 capture the CARE Acts Funding for COVID 19. He, along with Mr. Veit, highlighted that if you
306 don't spend the CARES Act funding properly, it would have to be paid back, so they emphasized
307 being cautious with its utilization.

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SHERIFF

Mr. Veit reported he had had many conversations with the Sheriff concerning his budget. He highlighted the Miscellaneous Donations line item, mentioning funds donated to be used explicitly for a 5th dog. Discussion focused on who would own the dog, the need for another handler, and needed policy changes.

He reviewed new positions that were approved within the department. Four new road deputies and vehicles had been requested, but current plans are to put them off for one more year. Commissioner Liner and Commissioner Mitchell remarked they would like to revisit this topic.

Mr. Veit reviewed the School Resource Officers current locations and indicated he would find out where the four new positions would be placed. The FY21 Budget reflects 11 SRO's at a cost of \$950,452.00.

At 5:00 p.m., Commissioner Liner motioned to recess until 8:30 a.m. on Friday, May 22nd; his motion was seconded by Commissioner Jones and approved unanimously.

Chairman Thomas F. Mark
Craven County Board of Commissioners

Nan Holton