

May 16, 2007

The Martin County Board of Commissioners met in Special Session on Wednesday, May 16, 2007 at 7:00 p.m. in the Board Room of the Martin County Governmental Center, 305 East Main Street, Williamston, North Carolina.

ASSEMBLY

Chairman Tommy W. Bowen, Vice Chairman Ronnie Smith, Commissioners Elmo “Butch” Lilley, Alphonzo Perry and C. Mort Hurst, County Manager W. Russell Overman and Clerk to the Board Linda G. Hardison were present. County Attorney J. Melvin Bowen was not in attendance.

Chairman Bowen called the meeting to order at 7:00 p.m. Following the Pledge of Allegiance which was led by Commissioner Lilley, Vice Chairman Smith offered the Invocation.

Chairman Bowen asked everyone to have a moment of silence in remembrance of Mr. Tony Purvis, an entrepreneur and community-minded citizen who was buried Tuesday.

Chairman Bowen introduced his fellow Board members, along with three members of the Board of Education (Gene Scott, Kenneth Harrell, Johnny Bryant) and Superintendent Dr. Tom Daly.

AGENDA APPROVAL

Commissioner Hurst made a MOTION, with a SECOND by Vice Chairman Smith, to approve the agenda as presented. The motion was unanimously APPROVED by the Board.

BUDGET WORK SESSION

The Chairman turned the meeting over to Manager Overman who began by explaining the budget workbook which had been prepared for the Commissioners, staff and press. The book includes sections on General Information, Revenue Information, Budget Requests and Manager Recommendations for the General Fund, the two Water Districts, Department of Aging and Martin County Transit.

REVENUE HIGHLIGHTS

Tax Rate Analysis

Real and Personal Property	\$1,251,347,321
Public Service Valuation	<u>42,000,000</u>
Total	\$1,293,364,140
	<u>X 96.16%</u>
Valuation for budgeting purposes	\$1,243,698,957

<u>Rate</u>	<u>Revenues</u>
\$.785	\$9,763,037
\$.79	\$9,825,222
\$.795	\$9,887,407
\$.80	\$9,949,592
\$.805	\$10,011,777
\$.81	\$10,074,962
\$.815	\$10,136,146

Vehicles	\$180,000,000
	<u>X 85.71%</u>
Valuation for budgeting purposes	\$154,278,000
	\$1,211,082
	\$1,218,797
	\$1,226,510
	\$1,234,224
	\$1,241,938
	\$1,249,652
	\$1,257,366

One cent on the tax rate will generate approximately \$140,000

Other Revenues

Transfer from Hospital Fund \$655,000 (\$125,000 one time expenses – Cooling tower replacement-Courthouse, Pave Driveway-Farmer’s Market, Courthouse Security upgrades, Backhoe-Landfill

Fund Balance Appropriated \$400,000

Manager Overman explained that the County lost \$55 million in tax value from Weyerhaeuser which equates to approximately \$430,000 in lost revenues.

The collection rates are up for both real & personal property (96.16%) and motor vehicles (85.71%). The Board spent quite a while discussing motor vehicle collection rate, vehicles being listed in the wrong county, vehicles on the road with expired tags, etc.

Manager Overman explained that he has reduced the amount projected for Ad Valorem taxes due to the back taxes that have already been collected and the fact that there are not as many back taxes to collect. Commissioner Hurst discussed the fact that the line item for foreclosure legal fees was depleted and the tax office had put foreclosures on “hold” until more money was available. He asked that the Board approve a Budget Amendment if this should happen again so that there will be no lapsed time in working diligently on collecting those taxes.

Another item that was discussed at length was the billing for municipal elections. Martin County has been billing the towns annually; however, the State has informed the county that it can only bill for the actual cost of elections for municipalities. Therefore, on even numbered years, there will be no revenue for this line item.

Manager Overman also discussed transfers from the General Fund to the Department of Aging, Transit and this year, a one-time transfer from the Hospital Fund for a new cooling tower, courthouse security, paving the driveway of the Farmer’s Market and a backhoe for the landfill.

Manager Overman then explained the interest on the Hospital Fund. He said the county is receiving approximately \$76,000 per month which equals approximately \$900,000 a year in interest. He reminded everyone that the interest has been being used to help balance the budget each year; however, when the principal is spent there will be no interest to help balance the budget. This is information the Board needs to know and keep in mind for future reference.

Manager Overman stated that \$400,000 of Fund Balance is included in this budget. As of June 30, 2006, the County’s Fund Balance was approximately 22-23%. Commissioner Hurst stated that compared to the 3% Fund Balance the County once had, we are now in

pretty good shape. We have reached the point now that we can spend some of this money to fund Capital Outlay projects of the Board of Education.

The Department of Aging and Transit budgets are funded by grants and the difference comes as a transfer from the General Fund. Technically, they are all General Fund departments but they are separated for accounting purposes.

Commissioner Hurst questioned the amount in the Court Facility Fund. Each Commissioner agreed that items such as the cooling tower and courthouse security affect all departments housed in the building; therefore, a portion of these costs should come from the Court Facility Fund.

EXPENDITURE HIGHLIGHTS

General

2% Salary Increase for all employees with several adjustments and reclassifications (2 1/2% last year)

Includes additional \$100 longevity @ 25 years and additional \$100 @ 30 years

Health and Dental Insurance Rates overall 12% increase

Includes 401(k) 2% for all full time employees

Commissioners

Dues includes appropriation of \$7,500 for Highway 17 Association

Commissioner Hurst commented that we shouldn't be spending money to pay for a lobbyist when we should do that. Following a lengthy discussion, Chairman Bowen stated that the Board will keep a close watch on this group and decide whether to fund it next year.

General and Administrative

Health insurance for 46 retirees

Advertising includes \$500 for littering advertising

Property and Liability insurance rates decreased

Workers Comp rate decreased significantly

County Manager

There are no significant changes

Finance

There are no significant changes

Tax

1/2 of mapper salary from Wireless 911

Deleted requested new FT position

Included funds for part time position for listing process

Includes ARC GIS Viewer license and internet access startup for mapping

Legal

Retainer \$600 per month

Other includes additional legal work for county attorney

Court Facility

Maintenance and Repair Buildings includes courts share of building repairs

Elections

Three elections budgeted – November municipal (we are reimbursed), Primary and 2nd primary – did not include Presidential Primary (one election last year)

Board requested additional salary increase

State Board of Elections providing hardware and software maintenance for voting machines and ballots for the Primary

Register of Deeds

Propose funding Conversion proposal \$23,000 per year for 3 years

Data Processing

Continues contract for computer services with Soundside Group
Continues equipment upgrades as proposed last year

Governmental Center

Vehicle for assistant \$20,000 – Lease purchase for 3 years
Cooling tower replacement \$45,000 – Funds from hospital interest

Buildings

Farmer's Market – pave driveway \$15,000 – Funds from hospital interest

Sheriff

Does not include funding for new deputy position requested (28 + 2 drug officers)
Doubles overtime funding from last year (partly due to drug work)
Requested 6 new cars – Recommend purchasing 4 new cars
Requested new software - deleted

Commissioner Hurst discussed the need for the Highway Patrol to fill all the positions assigned to Martin County to help relieve the added burden to the Sheriff's Department when there are vehicle accidents and they have to wait for a Patrolman to come from a neighboring county.

Jail

Increase due to past under funding and depletion of fund balance
Jail Board proposes funding new computer hardware/software and new closed circuit TV system

Communications

Request for reclassifications and salary adjustments

Emergency Management

Clerical position funded @ 100%
Operational Supplies – includes funds for equipping Emergency Operations Center (EOC) and Emergency Response Partners semi-annual meetings
Training and Exercise for NIMS compliance
Equipment – Fire Pagers \$40,000, Courthouse security \$25,000 (from hospital interest), Furniture for office and EOC
State provides grant in amount of \$15,000 for operations

RECESS

At 8:52 p.m. the Chairman called for a short recess.

Chairman Bowen called the meeting back to order at 8:58 p.m.

Forestry Service

Request for two new trucks if approved by the State

Building Inspector

Additional salary increases requested not recommended
Permitting software requested purchased in current budget

Rescue Squads

Williamston amount is derived by county budgeting 47% of their budget with Williamston returning 47% of revenues collected

Animal Control

Includes making part-time position (David Everett) full-time
Veterinarian fees would probably be higher if Dr. Shelton did not provide most of his services at no cost
Food and provisions would be higher if not for Wal-Mart providing “busted” bags
Includes \$5,000 appropriation for Humane Society

The Board discussed the new mandates by the State to bring our shelter to their new standards. Manager Overman was optimistic that it will not be as expensive as once expected.

Airport

Maintenance and Repair Buildings includes grounds maintenance, beacon maintenance, gates, fence, sign and painting terminal
Mowing contract increased by \$200 per month

Landfill

Land maintenance is dirt supply for cover
Disposal costs 2.42% increase
Collection costs 2.8% increase
Backhoe - \$45,000 (from hospital interest)

Chamber of Commerce

Request for \$15,000 was cut to \$13,000

Commissioner Hurst requested that the request for \$15,000 be fully funded. He said the DMV services that the Chamber offers to the citizens of the County are tremendous.

Economic Development

Appropriation includes additional amount due to Horse Barn taxes and additional \$18,000 for Microcell project
Committee of 100 - \$500
Technology Center final grant match \$25,000
Industrial Recruitment Fund (One NC Fund) for Quintiles – state funds that flow through county

Cooperative Extension

BMAP contribution \$4,000
New 4-H Van \$22,000 – Lease purchase for three years

Soil and Water Conservation

Aquatic weed control - \$2,000

Health

Appropriation includes amount for additional health inspector

Mental Health

Decrease as a result of merger with Albemarle

Social Services

Funds for use of Temp agency included
Medicaid Relief budgeted – Budgeted state estimate per House Budget
Equipment – new computers

Veterans Services

Increase in salary of Cost of Living plus two steps

County Projects

Operation Santa Claus \$500
OPTIONS \$2,500
Albemarle Food Bank \$1,000

Board of Education

5% increase for current expense

Capital outlay increase due to increase in dedicated sales taxes

Commissioner Hurst discussed the possible Medicaid Relief and stated that the Board of Education has been patient with the Commissioners. Every time an increase is denied the Commissioners always say they will give more when they get some Medicaid Relief. Now that relief is a possibility, the Board needs to pass it on to education. He suggested that the allocation be increased by 10% and get the additional money from the interest in the Hospital Fund.

Martin Community College

5% increase for current expense

Commissioner Hurst suggested that the \$20,000 taken from the College in a previous budget be reinstated.

Library

4% increase

Roanoke River Project

Additional \$500 for Roanoke River Partners

Roanoke River Basin Association \$1,500

Debt Service

Only debt is Highway 17 water project

Appropriation of \$42,500 to revaluation fund

Office of Aging

Administration - Supplies/Equipment increased for furniture

Congregate – Temporary salaries increased for additional food transporter

Home Delivered - Temporary salaries increased for additional food transporter

Respite – Using part-time nurse

Water Districts I and II

May need to look at increasing rates

New customers still coming on line

Would like to provide step increases for employees if they obtain certain certifications

Temporary salaries includes position 20 hours per week

Service contract on generator

#1 Equipment includes new fencing at well site in Oak City and new vehicle

#2 Equipment includes new vehicle

Transit

Supplies/Equipment includes new office furniture

Equipment includes 2 Vans, Network printer, and Scheduling/Dispatching software

Manager Comments

Manager Overman made the following comments concerning the budget presentation. The General Fund budget is prepared based on receiving Medicaid Relief in an amount as least as much as has been provided in the House budget approved last week. Even with that relief you can see there are still too few dollars to meet our needs. Total Medicaid Relief would certainly put us headed in the right direction. I have not prepared a budget at this time based on no Medicaid Relief. I believe this budget indicates to prepare a balanced budget with no Medicaid Relief will either require significant cuts in programs, services and staff; new sources of revenue; or an increase in the property tax rate. The General Fund Budget is \$128,094 out of balance after removing 1% of a proposed 3% salary increase.

Ways to balance

- Cut expenditures/increase revenues by this amount
- \$5 per year increase in landfill availability fee would generate \$60,000 per year
- Tax rate yields \$140,000 per penny
- Additional funds from hospital interest or fund balance not recommended
- Reducing COL increase to 1% would save another \$100,000 (approximate)

General Fund expenditures are increased approximately \$467,000 over last year.

Salaries and benefits have increased approximately \$390,000 over last year (this includes the 2 new positions added in the Sheriff's Dept. and changing the part-time Animal Control Officer to full-time.

We are still looking at the Water Funds and ways to balance them. We have stated before that rate increases were going to be necessary to make them self supporting.

I am suggesting that you have at least one more budget workshop either on May 23rd or 30th (preferably the 30th because we may know more out of the General Assembly). We can still advertise for the public hearing to be held on June 13th or later with adoption of the budget held after the public hearing and no later than June 30. I have talked with several managers whose Boards is planning to adopt on June 28th or 29th hoping the General Assembly will have adopted a budget by that time. If they have not adopted a budget by then you may even wish to adopt an interim budget.

The Board agreed to hold another Budget Work Session on May 30th.

ADJOURNMENT

Commissioner Perry made a MOTION, with a SECOND by Commissioner Hurst, to adjourn the meeting. The motion was unanimously APPROVED, and the Chairman adjourned the meeting at 10:02 p.m.

Tommy W. Bowen, Chairman

Linda G. Hardison, Clerk to the Board