

THE BOARD OF COMMISSIONERS OF CRAVEN COUNTY RECONVENED ITS RECESSED SESSION OF MAY 17, 2021 AT 10:30 AM 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 Jason Jones
Vice Chairman Denny Bucher
Commissioner George Liner
Commissioner Thomas Mark
Commissioner Theron McCabe
Commissioner E.T. Mitchell
Commissioner Beatrice Smith

STAFF PRESENT:

County Manager, Jack Veit
Assistant County Manager, Gene Hodges
Finance Director, Craig Warren
Human Resources Director, Amber Parker
Clerk to the Board, Nan Holton

Chairman Jones opened discussion, stating there was a need to reset their Budget Work Sessions schedule this week. The staff proposed and the Board was in consensus to meet on the following dates and times:

- Today, May 17, 2021 until 4pm
- Wednesday, May 19, 2021 from 8:30 am until 4pm at the New Bern Riverfront Convention Center
- Friday, May 19, 2021 from 8:30 am until finished at the New Bern Riverfront Convention Center
- Monday, May 24, 2021 would be held in reserve.

County Manager, Jack Veit, stated he was feeling some relief over how he felt last year, as there has been strong consumer confidence throughout 2020 and he thinks it will continue. He highlighted some of the challenges in this year's budget and commented on the addition of School Resource Officers requiring a one cent tax increase. Using the FY21-22 Proposed Budget kick-off PowerPoint presentation, he provided five-year comparative information on the following:

- Property Tax Revenues
- Sales Tax Revenue
- Charges for Services
- Intergovernmental Revenues
- Fund Balance General Fund
- Fund Balance Capital Reserve
- County Employee Counts
- Average Fuel Price per gallon
- Home Sales
- Craven County New Home Starts

Mr. Veit then provided a graph comparing the FY21 tax rate of Craven County to similar sized counties; and to neighboring counties. He reported that even with the proposed rate change of one cent, Craven County's position remains stable in these comparisons.

Finance Director, Craig Warren, reviewed the April 1-30, 2021 Monthly Financial Summary Report in full, covering General Fund revenues and expenditures; and other financial sources, inclusive of the Water Fund. In reviewing the General Fund Balance Mr. Warren remarked it was at \$3,632,456 last year at this time, and this year we are at \$8,272,398, which is a phenomenal position to be.

Mr. Warren highlighted the Craven County General Fund Balance Analysis history from June 30, 2011 – June 30, 2021, which is typically held at 25-27% as an informal policy.

Mr. Veit referred the Board to the FY 22 budget comparison to the FY21 revised budget (as of May 13, 2021) and reviewed the Net County Cost by Departments, indicating that anything in red is coming in under than last year and anything in black is over last year. Mr. Warren said the key take away is that a one cent increase equals \$1,000,000; and that no Fund Balance dollars were used in this budget because it was not necessary.

There was some discussion about the funds to be received from the Rebuild America Act and how they could be appropriated.

The Board worked through the FY21-22 Budget taking a lunch break from 12:20-12:50 pm. County Manager, Jack Veit, Asst. County Manager, Gene Hodges, Finance Director Craig Warren and Human Resources Director, Amber Parker provided highlights of revenues and expenditures, focusing on increased funding, new employees, maintenance items, and capital improvements.

WATER FUND

FIRE DEPARTMENTS

The Board of Commissioners reached general consensus, as follows, regarding the Fire Departments tax rates:

- ❖ Rhems District/West New Bern #2 – maintain the tax rate of .0400
- ❖ Vanceboro Township #1 – adjust the tax rate down to .0250 and putting \$24,000 in Capital Reserve
- ❖ TRI Community – lowering the rate to .05000
- ❖ Little Swift Creek – maintaining the tax rate of .06500
- ❖ Township #3 – maintaining the tax rate of .09000 – *this unit has one tax rate but three fire departments (Dover, Ft. Barnwell, Cove City); a formula is utilized to determine how revenue is broken down. It has been recommended that Cove City split the rescue squad and fire departments so they can qualify for grants, but they oppose, therefore their tax rate is the highest in the county.*

Commissioner Jones made a motion to add Cove City to the Special Appropriations list and allocate them \$10,000. His motion was seconded by Commissioner McCabe but defeated in a 3-4 roll call vote. (Mitchell, Liner, Mark, and Bucher opposed).

- ❖ Township #5 – *recommended to maintain the tax rate of .06500, but there was discussion regarding what they had requested, which would have required an increase.*

Commissioner McCabe requested to table Township #5 until he is able to speak with them.

- ❖ Township #6 – maintain the tax rate of .05000
- ❖ Township #7 – maintain the tax rate of .02500 by making a Fund Balance appropriation
- ❖ West of New Bern – reduce current tax rate to .03750
- ❖ Township #9 – using \$5,795 Capital Reserve to reduce the tax rate to .06000
- ❖ Sandy Point – reducing tax rate to .05000

SIEZED PROPERTY FUND 115

FUND 220 EMERGENCY TELEPHONE SYSTEM

FUND 225 OCCUPANCY TAX TRUST FUND

Questions were raised about Havelock's appropriation and the Double Tree annex.

FUND 250 REPRESENTATIVE PAYEE FUND

Mr. Warren stated this is a new fund that provides a place for the Department of Social Services custodial funds, which is required by the County's auditing firm.

FUND 305 SCHOOL DEBT SERVICE

There was discussion about when the debt service will end and moving forward with a new Administration Building and expansion of broadband.

FUND 405 SCHOOL CAPITAL RESERVE

SELF INSURANCE FUND

A 5% increase in health and dental rates is reflected in the budget numbers this year.

A break was taken at 2:30 pm.

It was the consensus of the Board to have a ribbon cutting, after the June 21st morning meeting, at the new Parks and Recreation building in Creekside Park. In addition, staff will organize a site visit to the newly re-opened Double Tree hotel.

FUND 101 GENERAL FUND REVENUES

Mr. Veit and Mr. Warren highlighted the Property Tax collection of \$49,488,264 is based on a new tax rate of 56 cents. Sales taxes are budgeted at a 3% increase over the past twelve months. Total anticipated revenue for FY22 is \$80,939,496.00.

COMMISSIONERS' BUDGET

- ❖ Legal
- ❖ Outside legal
- ❖ Membership fees

Commissioner Mitchell expressed dissatisfaction with funding the Eastern Carolina Council of Governments and requested staff provide details about just the funding needed for HCCBG Services.

- ❖ Travel Training
- ❖ Community Outreach

Commissioner Jones polled the Commissioners on having community meetings throughout the next fiscal year and adding \$1,250.00 to that line item. The Board was in consensus.

- ❖ Contracts

SPECIAL APPROPRIATIONS

Mr. Veit reviewed the application process and requirements for Special Appropriations to be considered. He remarked that the appropriation of \$165,581 to Forest Resources is the County's cost share; and the \$85,147 to the City of Havelock is a continuation of a previous agreed upon amount; as is the \$6,000 appropriated to the Beaver Management program.

In regards to ACT (Base Realignment And Closures - BRAC) Commissioner Mitchell provided an update on Congress looking to make some BRAC changes in the next few years. She recommended hiring lobbyists from Washington D.C., to help with being seriously engaged going forward. Commissioner Liner recommended setting money aside, not as a Special Appropriation, but setting up a special line item specifically for the project. It was determined that this would be revisited once Commissioner Mitchell circulated the data that she had.

Structured Day Reporting and the Town of Vanceboro did not submit requests this budget.

While Harlowe Ballfield also did not submit a request package, the Commissioners engaged in in-depth discussion about the deterioration of the lights and the fact that ownership of the site is convoluted and has legal implications. Commissioner McCabe requested this topic be tabled and brought back for discussion and a determination at another meeting.

Promise Place submitted a request for \$25,000 and the Board was in consensus to appropriate that amount.

Coastal Women's Shelter did not submit a request package, but Commission Liner motioned to give them \$25,000 as in previous years, once they provide a clean audit. His motion was seconded by Commissioner Mitchell and approved.

Senior Companions request of \$2,300 was approved during the morning Regular Session.

Disaster Recovery requested \$5,000 and was approved.

Town of Dover did not submit a request package.

Merci Clinic submitted a request for \$15,000, which is an increase of \$5,000 over last year. There was some debate over the amount. Chairman Jones polled the Commissioners and Merci Clinic was appropriated the \$15,000 with 4 ayes and 3 nays (Mark, Bucher, Jones). There was discussion on being able to use the ARC funds for some of these allocations.

RCS requested \$51,000 which is double the previous year. The Commissioners discussed the benefits gained from RCS, as well as their request. A recommendation of \$30,000 was proposed, and upon polling the Commissioners \$30,000 was appropriated with 5 ayes and 2 nays (Smith, McCabe who supported an appropriation of \$35,000).

Red Cross is unable to accept Craven County money because they cannot sign the contract; therefore, they did not put in a request.

First Tee made no request.

Realize U252 made no request this budget. Mr. Veit and Commissioner Bucher gave some background information regarding some of their struggles and direction.

New Bern Preservation Foundation requested \$3,000 to support rehabilitation of the King Solomon Lodge #1. They were approved for this allocation.

The Boys and Girls Club requested \$25,000, which is a \$15,000 increase over the previous budget allocation. There was dissension among the Commissioners over allocating this amount. Upon polling the Commissioners, there were 3 in support of the \$25,000 (Mitchell, McCabe, Smith), 3 in support of allocating \$12,500 (Liner, Bucher, Jones); and one for no allocation (Mark). At 4:12 pm Commissioner Mark excused himself from the meeting, leaving the allocation split evenly. Because Commissioner Mitchell believes in supporting the Boys and Girls Club and not wanting it to die on the floor, she adjusted her recommendation to \$12,500. The Boys and Girls Club were allocated \$12,500.

At 4:15 pm, the meeting recessed until Wednesday, May 19, 2021 at 8:30 am, at the New Bern Riverfront Convention Center in Tryon Rooms A & B.

Chairman Jason R. Jones
Craven County Board of Commissioners

Nan Holton
Clerk to the Board