

**PASQUOTANK COUNTY, NORTH CAROLINA
JUNE 11, 2012**

The Pasquotank County Board of Commissioners met today in a special meeting on Monday, June 11, 2012 in Courtroom C in the Pasquotank County Courthouse.

MEMBERS PRESENT:

Lloyd E. Griffin, III, Chairman
 Jeff Dixon, Vice-Chairman
 Bill Trueblood
 Cecil Perry
 Dr. William R. Sterritt
 Gary G. White
 Joseph S. Winslow, Jr.

MEMBERS ABSENT:

None

OTHERS PRESENT:

Randy Keaton, County Manager
 Rodney Bunch, Assistant County Manager
 R. Michael Cox, County Attorney
 Sheri Small, Finance Officer
 Karen Jennings, Clerk to the Board

The meeting was called to order at 6:00 PM by Chairman Lloyd Griffin. He stated that the purpose of tonight's meeting is to present the proposed 2012-13 county budget.

1. APPROVAL TO FILL VACANT SOCIAL SERVICES POSITION:

Chairman Griffin noted that the agenda for tonight's meeting needs to be amended in order for the Social Services Director to present a request to fill a vacant position.

Motion was made by Bill Trueblood, seconded by Gary White to amend the agenda for tonight's meeting to consider a request from the Social Services Director to fill a vacant position. The motion carried unanimously.

Social Services Director Melissa Stokely reported that an employee in the Income Maintenance Food & Nutrition Unit has resigned and she requested permission to fill the vacant position.

Motion was made by Gary White, seconded by Cecil Perry to authorize the Social Services Director to fill a vacant position in the Income Maintenance Food & Nutrition Unit effective July 16, 2012. The motion carried unanimously.

2. PRESENTATION OF PROPOSED FISCAL YEAR 2012-13 COUNTY BUDGET:

County Manager Randy Keaton presented the proposed county budget for FY 2012-13. He read the budget message which indicated that the proposed budget does not include an increase in ad valorem taxes or in solid waste fees. The proposed budget also includes a one-time \$500 bonus for all county employees, the first salary adjustment since FY 2008-09. Mr. Keaton reviewed budget graphs showing the source of revenue and how it is spent. He pointed out that property taxes account for 56.19% of the revenue, and that the largest percentage of the budget, 39.61%, is spent on public education. He explained that the tax base grew by \$38,118,730 or 1.14% this year with the bulk of that from motor vehicle values. He stated that the total general fund budget this year is \$37,142,202. He noted that the Board has already agreed to hold a public hearing on the budget on July 25 when it will receive comments from the public. He said after tonight's meeting the public hearing will be advertised and a copy of the budget will be placed in the public library.

Commissioner Perry asked the County Manager if he has been contacted by the Public Defender about the need for more office space. Mr. Keaton said he met with the Public Defender who informed him they will be closing their office in Edenton and will be moving two attorneys and one staff person to Pasquotank County. He stated that he has been working trying to find some office space however there is no available space in the Courthouse. He said he is looking at possibly relocating some of the Clerk of Court's file storage space on the back hallway of the

Courthouse and placing those staff people in that space. He said he does not want to have to rent space and if this could be done in-house the cost would be minimal. He stated that each of the counties including Pasquotank will have to pay their pro rata share for the additional office space for the Public Defender. He added that each county's share of the cost for the Public Defender's Office is based on per capita, like the District Attorney's Office and the Guardian Ad Litem Office.

Commissioner William Sterritt said when looking for space in the Courthouse, he does not want anyone taking the Hugh Cale Commissioners' Board Room. He stated that he is also wondering why a dedication ceremony for the room has not been held. The County Manager agreed that the Commissioners' Board Room is used so much for meetings and special hearings and is too valuable to even be considered as office space.

Commissioner Sterritt stated that when he first joined the Board of Commissioners he was asked to be a member of the SPCA Advisory Committee and he has religiously tried to attend all of the committee's meetings. He said the SPCA has saved about \$400,000 over a 25 year period of time, purchased a new building, and raised about \$55,000 to renovate that building and put in a number of dog walks. He said it will be a first class operation and he was disappointed that the appropriation for the SPCA went from a requested increase of \$10,000 to a decrease of \$10,000. He added that in 1962 the Board of Commissioners offered a bounty on every stray dog captured. He said he hopes that his comments about the value of the SPCA will mean something and help that group in the future.

Commissioner Joe Winslow pointed out that when the budget discussions began this year, it looked like a tax increase of between 5¢ and 8¢ would be needed. He stated that the Board has put many hours into this budget and all departments and the employees of Pasquotank County have sacrificed. He said the budget is being held to no tax increase for the first time in many years and he is proud of that. He asked if the County Manager could provide the Board with some revenue and expenditure comparisons for the last couple of years. Mr. Keaton stated that he will provide a five-year comparison for the Board.

Commissioner Cecil Perry asked how the JCPC budget is calculated. Mr. Keaton said the JCPC budget is a 10% grant match. The county matches the state funds of \$132,000 which is roughly \$13,000 and the total of state and county funds go to the two different agencies that provide those services for juvenile delinquency prevention. Only the county match is included in the county budget and once the money comes in from the state a budget amendment is done to show the state dollars coming in and going out.

Commissioner Bill Trueblood stated that he noticed in a recent email that the Senate has capped the lottery proceeds at \$100 million. He asked how this will affect the school system. Mr. Keaton said it should not affect the school system for this year. He explained that the lottery money does not go to the school system but to the county and is used to pay the debt service. He said this money is based on the school population. Mr. Keaton stated that according to information from the NCACC the state has taken away some of the mandatory reversions and hopefully this will put the school system in a little better situation. Although the schools are not getting any more money, not as much money will be taken away from them. Mr. Keaton said it appears they may not have to revert money at the end of the year like they have had to in the past.

Vice-Chairman Jeff Dixon stated that he thought the SPCA was left at level funding. Mr. Keaton said at one of the work sessions, the Board proposed cutting several agencies by \$10,000 to try to decrease the deficit and the SPCA was one of those. Vice-Chairman Dixon said he is in favor of the budget this year because there is a bonus for county employees. He stated that he would vote against the budget if there were no salary increase for employees. He said he would like to thank department heads for the outstanding job on their budget proposals. He said he has to criticize the budget for a couple of reasons. He stated that he believes there should have been some type of increase, especially for the schools. He noted that the 39% of the budget that is spent on education is mostly for buildings and they have to be kept up and cannot be allowed to crumble to the ground. He said if the schools are asked to use their fund balance, at some point their fund balance will be gone and they will have to come back to the county. Vice-Chairman Dixon stated that he would continue to challenge staff to create some type of continued funding for tearing down dilapidated structures. He said it makes no sense that it is taking so long to tear

down one building on the north side of town. He stated that the county does not have a budget for tearing down dilapidated buildings like the city does. He said there are yards in subdivisions where the grass is five feet tall and because of the lack of funding the county cannot do anything about it. He stated that next year maybe some type of permanent funding can be budgeted so these buildings that do not meet the building code can be torn down and citizens will not have to live next to these eyesores.

Chairman Griffin asked the County Manager to explain the \$224,000 overage for the South Park project. Mr. Keaton said it is not \$224,000 over, but that is what we owe the city right now. He explained that there was still \$95,000 left in the budget last year the city did not bill the county for by the end of the year. The total overage is about \$122,000 over budget, \$100,000 of which was for the sod and the irrigation system. Chairman Griffin asked where the money will come from. Mr. Keaton said the \$95,000 was already in the budget and the \$122,000 which is not in the budget will need to be acted on before the end of this fiscal year.

Commissioner Trueblood noted that the \$10,000 appropriation that had been proposed for stormwater has disappeared from the budget again. He said this is two years in a row that \$10,000 has been put in the budget for drainage and has been taken out of the budget. He stated that the Knobbs Creek Drainage Study is going on and hopefully some reports will be received in the next few months. He said the county will have to come up with money to pay the engineers who are working for Pasquotank County on this project.

Chairman Griffin noted that the proposed budget includes level funding for the Parks & Recreation Department. He asked if the county is not under contract to pay its percentage of the Parks & Recreation budget. Mr. Keaton said the agreement with the city is an interlocal agreement. Commissioner Trueblood explained that he has been frustrated that the county has not been kept informed regarding some of the projects that were happening. He noted that he recently read comments from the Parks & Recreation Director that the city plans to ask the Advisory Committee to have more input into some of the proposed projects. He added that there are several things going on within the Parks & Recreation Department that it appears no one is seeing but City Council. He said there appears to be a separate Parks & Recreation function operating within the Parks & Recreation Department and there are several projects that are funded solely by Council but still administered by the department that the county helps to fund. Commissioner Trueblood added that these are the things that he considers very critical. Commissioner White stated that he concurs with Commissioner Trueblood regarding his views of the Parks & Recreation Department, and he is especially concerned since the county pays 55% of the budget and has no more authority than it does. County Attorney Mike Cox read excerpts from the Parks & Recreation interlocal agreement regarding approval of the Parks & Recreation budget. He read that "The City Manager shall prepare a proposed budget each year that identifies Parks & Recreation expenses and revenues for both the city and county. The proposed budget shall be presented to the County Manager no later than April 1 each year. Upon approval of the budget by the city and county the county shall appropriate an amount equal to the existing ratio net of revenues". He also read that "The city and county shall both agree on joint funding for capital improvement projects". Chairman Griffin asked why the Board of Commissioners was not directly involved in the discussions regarding cost overruns at South Park. Commissioner Joe Winslow added that he would think the Board of Commissioners would have more input in a budget for an agency that it has a partnership in. Mr. Keaton stated that the city did go over the budget information with county staff to show the reasons for the increases and how they arrived at the final budget, but the county does not participate in the budget process upfront. He said similarly the city does not participate in preparation of the joint budgets that are handled by the county such as Central Communications, Emergency Management, and Animal Control. He added that the city does however only pay 32% of those budgets. Commissioner Trueblood stated that the Board had to draw the line in meeting an overall budget of \$37 million and its choice was for level funding. He noted that is not to say that all of the requests that were above what was funded were not justified.

Commissioner Sterritt said he would like to commend staff for pulling this budget together. He said it represents a lot of hard work and even though there are some valid questions, he thinks at some point they will be resolved.

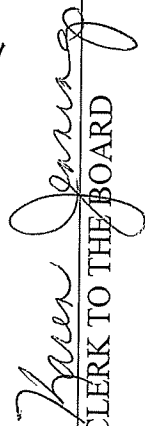
Commissioner Perry asked how the \$220,000 the county is proposing to recoup from the Jail Commission will fit into the budget. Mr. Keaton responded that it is already plugged into the

budget as a revenue source. He said this was one of the ways to balance the budget without a tax increase. He added that the appropriation for the Jail in the proposed budget is what was requested by the Jail Commission.

Chairman Griffin asked if there were any further questions regarding the budget. He said there appear to be a few loose ends that need to be tied up before the budget is adopted.

Motion was made by Gary White, seconded by Joe Winslow to call for a public hearing on the proposed 2012-13 county budget at the June 25 Commissioner meeting. The motion carried unanimously.

Motion was made by Gary White, seconded by Bill Trueblood to adjourn the meeting. The motion carried unanimously and the meeting was adjourned at 6:55 PM.


CLERK TO THE BOARD


CHAIRMAN