MINUTES
RECESSED MEETING OF THE BOARD OF COMMISSIONERS
OF EDGECOMBE COUNTY

BUDGET WORK SESSION

JUNE 1, 2015 AT 3:00 P.M.
IN THE COMMISSIONERS' ROOM, COUNTY ADMINISTRATIVE BUILDING
TARBORO, NORTH CAROLINA

1. **MEETING CALLED TO ORDER BY CHAIRMAN LEONARD WIGGINS AT 3:00 P.M.**

MEMBERS PRESENT: Mr. Leonard Wiggins, Chairman, Mr. Jonathan Felton, Vice-Chairman, Mr. William Wooten, Mr. Donald Boswell, Mrs. Evelyn Powell, Mrs. Viola Harris and Rev. E. Wayne Hines.

MEMBERS ABSENT: None.

OTHERS PRESENT: Mr. Lorenzo Carmon, County Manager, Mr. Eric Evans, Assistant County Manager, Mrs. Joanne Harrell, Finance Director, Mr. William Johnson, Assistant Finance Director and Ms. Frangie Mungo, Clerk to the Board.

2. **PRAYER.**
Prayer was provided by Rev. Hines.

3. **SCHEDULED APPOINTMENTS:**

A. **Edgecombe County Public Schools**
Mr. Carmon stated that staff met with Mr. Farrelly and his Finance Director to discuss actions taken to reduce their budget and/or increase revenues.

Mr. John Farrelly, Superintendent of Edgecombe County Public Schools and the ECPS Finance Director, Laurie Leary were present.

Mr. Farrelly presented the following:

Request:
An additional request of $294,000 has been made to the County Commissioners to support a supplement increase in the following areas:

1% Teachers
1% Administrators
10% Classified Staff

Rational:
Our goal is to have an outstanding teacher in every classroom in Edgecombe County Public Schools. It is equally critical to be able to attract high performing leaders in each of our schools. This effort is also about competition in the job market and sustained success. In an effort to continue to strive to attract, hire and retain the most qualified teachers, administrators and classified staff; ECPS must be in a position to compete with nearby counties. Our goal is to increase our supplement over the next 3 years in order to be competitive-particularly with nearby Nash Rocky Mount and Wilson County Schools.

Loss of Local Funding:
The County has reduced our funding in the last two fiscal years:
2013-14: $318,052
2014-15: $56,327

Competitive Supplement Study:
A study has been done on school district teacher supplements in surrounding counties where we compete for employees:
Wake County 18%

Nash Rocky Mount Schools 8%
Wilson County Schools 8%
Franklin $2700
Pitt County Schools 5%
Camden $1500-bachelors/$1800-masters
Edgecombe 4%
Martin $1200
Greene $1000
Halifax none

Effective Stewards of the Public Schools Budget:
Our proposed and approved reductions in the current fiscal year total $988,912. Within the past four years we have made $4,770,466 in cuts. A priority philosophy to keep all of our teachers in tact. Teaching positions folded have been lost to the ADM impact. We have lost 1,000 kids over the last five years.

Mr. Farrelly provided information on the proposed reductions for the upcoming year. We made reductions in 2012-2013 and 2013-2014. Coming into this present year we were cut by the State $525,000.

Mr. Wooten commented on the idea of not wanting to cut teacher positions, but yet you lost 1,000 students. How many positions have been eliminated over that process of losing 1,000 students.

Mr. Farrelly stated that 35 certified teachers.

Mr. Wooten asked has the teacher/pupil ratio gone up.

Mr. Farrelly stated that it has been maintained at about 22 to 1.

After a brief discussion Mr. Wiggins thanked Mr. Farrelly for coming and told him that he will be informed of the Board's decision after the Board takes a look at the overall budget.

B. Edgecombe County Sheriff's Department.
Mr. Carmon stated that Sheriff Knight was present to answer questions regarding housing of inmates. He stated that there was a reduction in the amount of revenues anticipated and the Board requested additional information. Mr. Carmon stated that we received a little revenue for the Princeville contract.

Sheriff Knight came forward to answer questions from the Board.

Mr. Wiggins stated that the Board was concerned about the need to keep the level of detention officers the same based on the decline in federal inmates.

Sheriff Knight started that even though the federal inmates have declined, state inmates are the same or have increased. Sheriff Knight provided a background on the federal aspect by saying that he went into a verbal agreement with the U.S. Marshal (they do not do written agreements) that he would house 100 federal inmates for them. He stated that during that time only three Sheriffs in the State would agree to this. He stated that he saw an opportunity for the County to make some money. As time went on other counties began to see the financial benefit of providing federal inmate housing. Pitt County built an entire wing just for the federal inmates. Other jails in the state were out dated and overcrowded and Edgecombe County housed inmates for them. Sheriff Knight stated that Edgecombe has the fourth highest amount of federal inmates in the state. The decrease in it is because the eastern part of the state has less federal inmates and they still have to spread them around to the other counties. Other departments in the eastern part of the state have built new jails so Edgecombe no longer keep their inmates. He stated that Edgecombe went into the misdemeanor accounts for the State in and agreed to house State misdemeanor in Edgecombe at a certain cost. There are ten beds for them, which helped to increase income

Sheriff Knight stated not only did he need the officers he currently has, but he was still in the need for about nine or ten officers more. He stated that the turnover rate was 20% and that Nash County starts with a salary of $29,000 plus a 5% increase after six months. Edgecombe

County starts out with $27,000. Sheriff Knight stated that Edgecombe lost ten to Pitt County, who starts off with $37,000. He stated that he has been able to keep core people in the department.

Sheriff Knight stated that gang activity has increased within the last four to five years. He stated that if they come into the jail and admit that they are a member of a gang (Bloods) during processing, they cannot be put in a cell with the Crips. A lot of jail space is being spread because you have to separate inmates. He stated that 12 to 13 percent of the jail population is dealing with some type of mental health issue and some of them have to be monitored every fifteen minutes. Manpower in the jail is below what is needed. He stated that they are surviving because of his core group of people and who do a great job of training.

Mr. Felton stated that is hard to understand how we can have a $700,000 decrease in revenues in the last five years and still need the same amount of revenues.

Sheriff Knight stated that if had 260 inmates. At one time out of the 260,100 of them were federal inmates, but we still have 260 inmates but they are not federal, they are state and local. Sheriff stated that the space and the visual aid you have will not change.

Sheriff stated that in the past the jail breaks was due to the lack of personnel in the jail.

Mrs. Harris stated that she understood the need for the personnel whether we had one federal prisoner or more.

Mr. Wooten asked the Sheriff if he ever considered sending our inmates to other counties and paying other counties to house them to get his cost down. That having staff to be ready for the maximum is costing more money than if we outsource a few of them.

Sheriff Knight stated that it would cost more to have someone else to house them for the County

After discussion Mr. Wiggins thanked Sheriff Knight for coming and told him that the Board will have another discussion and Mr. Carmon will be talking with him.

C. <u>Edgecombe Community College.</u>

Mr. Carmon stated that ECC was one of the agencies that the Board asked for additional information regarding budgets. In particular, looking for information to make sure we have done everything to adjust expenditures based on revenues and that we are maximizing both revenues and expenditures. Dr. Deborah Lamm, ECC and Charlie Harrell, Finance were present to provide a presentation to the Board regarding things that the College is doing. Mr. Carmon stated that one of the things listed in the budget is the Biotech building, which is scheduled to come on line around the first or second quarter of the next fiscal year and part of the request is to cover some of those anticipated costs.

Dr. Lamm stated that for fiscal year 2015-2016 the College requested $1,700,000 for their budget. This past year they received $1,419,420, a difference of $280,580. She stated that she wanted to address the additional request. Dr. Lamm stated that the $136,100 is for the new building for six months on-line. The other is the performance contract. She stated that two years ago the ECC Board of Trustees entered into an agreement with Brady Trane to make their buildings more efficient, so the General Assembly permitted them to do that with special legislation. They entered the contract for twelve years with a payment of $109,000 per year following their constructions of HVAC, lighting and other areas to help their older buildings become more efficient and that is in place. They have paid it for the past two years and it has to be paid for the next ten years. She stated that these were the two big items that has caused an increase for them and they did bring on another building, the auto body building, which has added to their increase in utilities. Dr. Lamm stated that they, over the last several years, redirected State funds for the purpose of County expenditures. She stated that they have not been able to do that in the last two years because of the new leadership in Raleigh, who stated that they do not have that flexibility, they want those expenditures fully paid for by the County.

Mr. Felton asked about the energy efficiency contract and should that be offset. He asked if the college has been tracking the results to see if the savings are offsetting that payment.

Dr. Lamm stated that they have been tracking that and asked Mr. Harrell to come forth and address that.

Mr. Harrell stated that utility cost have dropped $60,000 per year and the savings are there.

After discussion Mr. Wiggins thanked them for coming and stated that there will be further discussion on this and the Board will let them know where they stand.

4. PROPOSED WATER HOOK-UP INCENTIVE PROGRAM.

Mr. Carmon stated that as was presented to the Board at the March retreat, only about 65% of the County's potential customer base is active on the water system. He stated this has multiple effects: it challenges the long-term financial stability of the County enterprise; system underutilization requires more than expected flushing of the system, which means water that we pay for but cannot recoup any revenue; and it prevents us from being able to make this service more affordable for our citizens. Therefore, at the direction of the Board, staff has developed a proposed Water Hook-up Incentive Program. Mr. Carmon stated that the proposal is to offer this program simultaneously in all six water districts, including Princeville, where water is already available. The terms are as follows:

- A reduced tap fee of $200, payable in up to 4 installments;
    - Note 1: $200 is about 40% of the cost of materials for a water tap.
    - Note 2: it is recommended to go no lower than $200, because all water districts were offered the $200 tap fee during preconstruction and construction.
- A required deposit of $50 at the time of sign-up;
- Offer the program from July 1 – October 30, 2015; and
- Depending on the volume of sign-ups, installation of the tap may take up to 3 months. Priority will be given to new homes and failing wells.

Mr. Carmon recommended that the Board of Commissioners authorize staff to implement this Water Hook-up Incentive Program and use all available and appropriate media methods to advertise.

Mr. Boswell moved to approve the Water Hook-Up Incentive Program as presented and to authorize staff to implement the program. Mrs. Powell seconded the motion, which carried by unanimous vote.

5. GENERAL BUDGET DISCUSSION.

Mr. Carmon stated that he was informed by our benefits broker, Mark III, that when we first started looking at our health insurance increases based on the number of claims we had, we were going to see a 15% increase. We've got it down now to a 5% increase, which will save us about $238,000, which is almost a penny of the proposed increase talked about earlier. Based on that there is some savings.

Mr. Carmon presented the following recommendations: 4.5 cent tax increase on the budget; an increase in the Schools system's budget based on the amount of cuts and work they have done in the past; with the Biotech building go on-line, it will be about a $200,000 increase for the Community College. They have asked for a $300,000 increase in this budget. We are prepared to recommend a $200,000 increase. He asked the Board what they would like to do with the tax increase that is being proposed. He stated that we could forgo a penny on that tax increase but staff might be back at you again next year for a 1 or 2 cent increase.

Mr. Wooten asked if Reduction in Workforce was looked at.

Mr. Carmon stated not this year.

Mr. Felton asked about the pay increase. He stated that it does not have to be 5% at one time. He stated that a 2.5% pay increase with the combination of the health insurance savings gets us down.

Mr. Wiggins stated that we do not need to position ourselves where we have to raise taxes every year. He stated that the Board needs to give staff some direction on the proposed budget.

After discussion the Board suggested to have another meeting before calling for the public hearing.

6. **Mr. Felton moved to recess the meeting until 12:00 noon on June 8, 2015 in Conference Room 260 of the Edgecombe County Administrative Building to continue the budget discussion. Mrs. Powell seconded the motion.**

Rev. Hines stated that he was unable to attend the meeting.

Mr. Wiggins felt the need that all Board members should be present.

Mr. Felton made a motion to rescind the last motion and to recess the meeting until Thursday, June 4, 2015 at 9:00 a.m. Mrs. Powell seconded the motion, which carried by unanimous vote.

Frangie Mungo, Clerk to the Board