

May 6, 2013

The Washington County Board of Commissioners met in a regular session on Monday, May 6, 2013 at 6:00 PM in the County Commissioners' room, 116 Adams Street, Plymouth, NC. Commissioners Johnson, Manning, Phelps and Sexton were present. Also present were County Manager Jerry Rhodes, Clerk to the Board Julie J. Bennett, Finance Officer Frank Milazi and County Attorney/Assistant County Manager Cheryl Young. Commissioner McCray was not in attendance.

Commissioner Sexton gave the invocation; Marcel Bowser, student at Plymouth High School, led the pledge of allegiance.

- a) ADDITIONS/DELETIONS: Chair Manning added item j) Resolution: Opposition to House Bill 870 an Act to Require All Public Bodies to Record Meetings Held in Closed Session to the Consent Agenda and remove item h)—Resolution Opposing Governor McCrory and the General Assembly Closing and Consolidating NC Highway Patrol Communications Centers

**Commissioner Sexton made a motion to approve the addition to the agenda as presented above. Commissioner Johnson seconded, motion passed unanimously.**

**CONSENT AGENDA: Commissioner Johnson made a motion to approve the Consent Agenda with the addition and deletion presented above:**

- a) Approval of Minutes for April 1, 2013 Meeting
- b) Tax Refunds & Releases and Insolvent Accounts for March and April 2013
- c) Resolution Supporting Senate Bill 321—Contain Counties' Inmate Medical Costs
- d) Resolution Opposing the Disposal of Fracking Waste in Eastern North Carolina
- e) Resolution in Opposition of Losing Lottery, Rural Center and Golden LEAF Funding
- f) Resolution to Maintain and Support the Current Integrity and Funding for the Parks and Recreation Trust Fund (PARTF)
- g) Resolution to Support the 2013-2015 Funding for Clean Water Management Trust Fund (CWMTF)
- ~~h) Resolution Opposing Governor McCrory and the General Assembly Closing and Consolidating NC Highway Patrol Communications Centers~~
- i) Resolution Supporting Continued Funding for Museum of the Albemarle
- j) Resolution: Opposition to House Bill 870 an Act to Require All Public Bodies to Record Meetings Held in Closed Session

**Commissioner Sexton seconded, motion carried unanimously.**

PUBLIC FORUM: None.

NORTHEAST COMMISSION (NEC): Mr. Richard Bunch, Regional Marketing Manager for the Northeast Commission spoke to the Board. The Northeast Commission covers 16 County organizations. He thanked the Board for sharing Commissioner Johnson with them--she's on their Board. He distributed a packet of information on the region and what the NEC does. He said he thinks that Washington County is in pretty good shape. Washington County has some available land and buildings that are ready to go. Washington County already has alternative energy...the solar panels. There could be many jobs tied into wind energy. Gull Rock Test site in Hyde County and our airport could benefit from this. The County needs to think more aggressively when considering incentives to lure new businesses such as giving a few years rent free (it could be tacked onto the end of the lease). An incentive like that will benefit Washington County in the long run. Mr. Bunch said he was bringing this information to the attention of the Board to say that Washington County is in the game...we just need to 'tune up our pitching staff'. Be flexible when the County has a client. Be ready and be flexible in our thought process. NEC will help Washington County as much as they can! Mr. Bunch thanked the Commissioners for the time and effort they put forth in Washington County's community. Mr. Bunch also said he brought in a major consultant on aircraft projects. They visited the Plymouth Municipal Airport and looked at the Commerce Building. Mr. Rhodes said the consultant did mention the location of the airport to rail service was ideal and was interested in that aspect. Mr. Bunch said the Plymouth Municipal Airport would be perfect for light support aircraft. Mr. Rhodes said the County needs a Marketing Plan to get business here. The Board needs to work on this to be ready for new businesses and needs to find out how aggressive we can be. Commissioner Phelps asked what other incentives the County can offer. Mr. Bunch said that since Washington County is a Tier 1 county we can go after anything available (such as grants for sewer/water). Commissioner Sexton asked what number of jobs we would be looking at. Mr. Bunch stated that it varies. The number of job creation affects the amount of funding made available.

AIRPORT TAXIWAY TURNAROUND: Mr. Rhodes introduced Jason Elliott from Michael Baker Engineering. Mr. Elliott spoke of his previous visits. He said that Ms. Young has given the Division of Aviation (DOA) everything they were looking for and Washington County received a document that says that payment is forthcoming for the Stotesberry project. Mr. Elliott gave an overview of the taxiway turnaround project saying the reason for this project to move forward is that it's a safety issue. If a plane is coming in, it gives another plane a place to get out of the way and gives aircraft a place to turn around rather than turn around on the runway. This is the next scheduled project on the TIP. There is VISION 100 money available and money from the timber sales for the match required by the County. Since there was a personnel change in DOA, all of the Stotesberry paperwork had to be resubmitted and an e-mail was sent to Ms. Young today showing that the payment request has been signed. Commissioner Manning asked if we lengthened the runway, would the turnaround be in the wrong place. Mr. Elliott said no it would not be in the wrong place. It is not on the TIP to be extended as of this time (short term). It has been shown on the airport layout plan for the future. Commissioner Johnson asked Mr. Elliott if we need to do this project for safety reasons. Mr. Elliott replied yes this is a safety issue. Commissioner Phelps asked where the match of \$55,000 comes from. Both Mr. Milazi and Ms. Young explained that \$40,000 was originally earmarked from the airport timber sales, there is money left in another grant and the County could also possibly cut more trees at the airport if needed. It is believed that there is enough money left after the airport remodeling costs have been paid to cover the full \$55,000.

**Commissioner Sexton made a motion to move forward with the Airport Taxiway Turnaround project. Commissioner Johnson seconded, motion passed unanimously.**

WATER SERVICE INSTALLATION FEE—MODIFICATION OPTIONS: Mr. Lou Manring, Public Utilities Director spoke to the Board and gave the following presentation on various proposals regarding modification of the water service installation fee.

## Water Service Installation Fee Modification Proposal

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**Currently**

Connection Fee        \$600 for a ¾ inch meter  
                                 \$700 for a 1 inch meter

If asked I have allowed this to be paid over a 3 month period. The first payment of \$200 must be paid prior to turn on.

A typical ¾ inch service costs approx. \$325 in materials and \$300 in labor (not including use of equipment i.e. backhoe, ditch witch, etc.).

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**Proposal #1**

Connection Fee remains \$600

Continue allowing payment over a 3 month period (\$200/ month)

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**Proposal #2**

Connection Fee remains \$600

Allow payment over 12 months (\$50/ month)

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**Proposal #3**

Connection Fee reduced to \$325 to cover cost of materials

Payment in full required prior to turn on

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**Proposal # 4**

Connection Fee reduced to \$325 to cover cost of materials

Allow payment over 3 months (\$108/month)

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**Proposal #5**

Connection Fee reduced to \$325 to cover cost of materials

Allow payment over 12 months (\$27/ month)

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## Water Rates

<u>Meter Size</u>	<u>Monthly Base Charge (includes 1<sup>st</sup> 2000 gallons)</u>
¾ inch	\$21.00
1 inch	\$33.00
1.5 inch	\$58.00
2 inch	\$96.00
3 inch	\$163.00
4 inch	\$243.00
6 inch	\$483.00
8 inch	\$723.00
Consumption Charge	\$10.00 /1000 gallons

## Fees

<u>Tap Fees</u>	<u>¾ inch meter</u>	<u>1 inch and larger</u>	<u>Hydrant Meter</u>
Connection	\$600.00	\$700.00	
Deposit (refundable)	\$ 60.00	To be set individually	\$1,000.00
Plumbing Permit	\$ 5.00	\$ 5.00	
Reconnection Fee	\$ 35.00	\$ 35.00	
Special Meter Readings	\$ 35.00	\$ 35.00	

## Water Service/ Availability

86.6 % or 3,611 households in the county have county water available to them  
 13.4 % or 557 households do not have county water available to them  
 There are approximately 4168 households in the county (not including Plymouth, Roper or Creswell)

Of the 3,611 households that have water available to them  
 72.1% or 2,604 households are on county water  
 27.9% or 1,007 households have water available but are not connected

Commissioner Manning asked Mr. Manring which of the proposals he would recommend. Mr. Manring stated he would recommend Proposal 2, but with stronger language to make sure the County gets the money back if the resident leaves in less than 12 months. Mr. Rhodes asked for clarification on if the County would be doing this permanently or for a certain period of time. Mr. Manring stated the County would be making this a permanent change. Commissioner Phelps stated he would like Proposal 5 or waive the fee entirely. He doesn't feel his constituents can make the higher monthly payments.

**Commissioner Sexton made a motion to approve implementing Proposal 2-- Connection Fee remains \$600 and allow payment over 12 months (\$50/ month). There was no second, the motion died.**

**Commissioner Phelps made a motion to approve implementing Proposal 5-- Connection Fee reduced to \$325 to cover cost of materials and allow payment over 12 months (\$27/ month), making it permanent, but the Commissioners will revisit if necessary. Commissioner Johnson seconded, motion passed with 3 ayes and 1 nay (Commissioner Sexton).**

WASHINGTON COUNTY PUBLIC SAFETY CENTER RENOVATION PROPOSAL:

Mr. Rhodes spoke to the Board about renovating the Sheriff's Annex Building in Creswell. The County owns the former Creswell ABC building. Mr. David Clary had a vision of having an ambulance in Tyrrell County (once Washington County and Tyrrell County EMS merged) and having one stationed in Creswell. The County's EMS staff have been using the Creswell Medical Clinic (for charging purposes). Several weeks ago we were informed that the power may be cut off at the Creswell Medical Clinic for nonpayment of the power bill. Mr. Rhodes starting thinking of Washington County's relationship with the hospital (they lease the Creswell Medical Clinic) and looking for other relocation options for our EMS staff. The advantage to moving to Creswell gets the County out of being dependent on the Creswell Medical Clinic. Also the new CEO at the hospital has asked the County to start paying rent for using the Creswell Medical Clinic or reduce the hospital's lease payment. See the plan below for the proposed budget for being able to relocate the EMS staff to the former Creswell ABC building. Moving to this building strategically places the County ambulance at the Creswell interchange of Highway 64. All staff involved are on board (Ross, Clary and Boone) with this change. Mr. Rhodes said he is seeking direction from the Board to move forward with this project. Chair Manning asked what the lease price that the hospital asked for was. Ms. Young stated that since the Creswell Medical Clinic was built with grant funds, the lease with them can't be reduced. The County suggested that we pay our part of the power bill (for charging of the ambulances) and we are waiting for copies of the hospital's power bills from the Creswell Medical Clinic to review. Commissioner Johnson asked if concrete pads would have to be put at the new location in Creswell. Both Ms. Young and Mr. Clary said no, that it's ok to park the ambulance on the gravel parking lot at the new location. It just made good sense to have the concrete pads poured when the Creswell Medical Clinic was in the process of being built. Commissioner Phelps thanked Mr. Rhodes publically for taking the initiative to put this Safety Center in that part of the County.

Washington County  
Public Safety Center Renovation

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Expenses:

▪ Plumbing materials	\$1,857
▪ Electrical	\$2,300
▪ Building materials	\$1,047
▪ Flooring	\$3,230
▪ Furniture & fixtures	\$4,000
▪ Wiring for IT	\$1,000
▪ Contingency	<u>\$1,566</u>
▪ Total	\$15,000

Revenues:

▪ Emergency Management Services	\$4,000
▪ Sheriff's Department	\$3,000
▪ Facility Services	<u>\$8,000</u>
▪ Total	\$15,000

**Commissioner Phelps made a motion to move forward with the Washington County Public Safety Center Renovation. Commissioner Sexton seconded, motion passed unanimously.**

Commissioner Johnson asked the Board and staff to still keep an eye on the Creswell Medical Clinic to help them succeed.

BOARD OF EQUALIZATION AND REVIEW (E&R): Ms. Bennett gave the oath to the Commissioners for them to convene as the Board of Equalization and Review. **Commissioner Sexton made a motion to convene as the Board of Equalization and Review. Commissioner Phelps seconded; motion carried unanimously.** Mr. Chip Main spoke to the Board and stated that there were no appeals at this point. He has received 300 informal requests. He has been contacting people by phone and some have come in to his office. He feels the County is in pretty good shape.

Ms. Young reminded the Board that they cannot have any discussions with citizens while the Board of E&R is convened.

**Commissioner Sexton made a motion to recess the Board of Equalization & Review until May 20, 2013 at 7:00 PM. Commissioner Phelps seconded, motion carried unanimously.**

## PRESENTATION OF THE WASHINGTON COUNTY RECOMMENDED BUDGET

2013-2014: Mr. Jerry Rhodes went over the Budget Message that was prepared for the Commissioners. (Some paragraphs were read verbatim and others were paraphrased. Below is the complete budget message that was submitted to the Commissioners.)

In accordance with North Carolina General Statutes, I, Jerry W. Rhodes, County Manager, respectfully submit for your review and consideration the proposed FY 2013-2014 budget for Washington County. This budget was prepared in accordance with the North Carolina Local Government and Budget Fiscal Control Act. The budget is balanced and identifies revenue and expenditure estimates for the fiscal year that begins on July 1, 2013. The FY 2013-14 budget totals \$13,181,964 for all county operations, capital improvements and debt service requirements. This amount represents a decrease of \$103,960 from the FY 2012-2013 budget of \$13,285,924.

The proposed budget does not rely on continued use of the fund balance to balance the budget. The primary method used to eliminate reliance on the fund balance was to increase revenues and reduce expenditures. Major highlights of the budget include the following:

- The budget contains no proposed increase in water rates for the year. It is anticipated that with the installations of new water meters, additional revenue will be realized and will result in eliminating the need to increase revenue through a water rate increase for the upcoming fiscal year.
- Funding for a 2% cost-of-living adjustment for county employees is budgeted effective mid fiscal year. There were no cost-of-living adjustments for county employees during FY 2011-2012 or FY 2012-2013.
- No new county positions have been added to the proposed budget.
- Funding for the Washington County Schools is budgeted at same level as FY 2012-2013 which is \$1,525,000 for operations and \$300,000 for capital projects for a total of \$1,825,000.
- An appropriation for the hospital pension fund is budgeted at \$50,000. The USI Consulting Group, Inc. recommended an annual contribution of \$158,624.
- Major capital outlay expenses include the purchase of one car in the Sheriff's Office, one truck for Facility Maintenance, one truck for the Water Department, one ambulance for Emergency Medical Services and one van for Riverlight Transit. All of these vehicles are replacements for vehicles that have extremely high mileage as well as costly maintenance and repair expenses.

### Budget Development Process:

The budget development process began on February 19, 2013 with the budget kickoff message and budget preparation forms and instructions distributed to all county departments, groups and agencies that receive funding from Washington County. County departments and other agencies submitted their proposed budgets for consideration on March 15, 2013. The County Manager, Assistant County Manager and Finance Officer met with each county department beginning on April 2, 2013 and ending on April 5, 2013 and reviewed county department budget requests in an attempt to make informed decisions regarding those items and amounts that would be included or excluded in the County Manager's recommended budget. The initial recommended budget was

balanced on April 19, 2013 and copies of the County Manager’s recommended budget were sent to each department and external agency. The recommended budget is being presented to the Board of Commissioners on May 6, 2013. A public hearing regarding the budget will be held on May 20, 2013. Final adoption of the FY 2013-2014 budget is anticipated on June 3, 2013.

Budget Development Preparation Guidelines:

The following preparation guidelines, approved by the Washington County Commissioners on February 18, 2013, were utilized in developing the budget:

- Attempt to maintain current service levels with no expansion or new services unless a revenue stream can be established to fund the expanded or new service
- All mandated statutory funding requirements will be met
- Reserve fund balance will be maintained at least at the approved minimum requirement as approved by resolution of the Washington County Commissioners
- If there are any increases in spousal or family health and dental insurance coverage, those increases will be passed on to employees
- Attempt to not layoff or furlough employees
- There will be no new positions created unless funded by grant, special appropriation or revenue generated funds
- Capital projects will be considered only if those projects relate to replacement or repair of facilities or equipment as needed for safety or operability of a facility or piece of equipment
- Continue the collection of one cent (\$.01) countywide drainage tax

Recommended Budget:

The recommended general fund budget totals \$13,181,964 with an ad valorem tax rate of \$.79 per \$100 of assessed value. The recommendation includes the one cent (\$.01) drainage assessment reserved exclusively for proactive maintenance and improvements to the county’s drainage system. The recommended budget seeks to meet the needs of our citizens in a manageable and cost effective manner. The proposed budget holds increases in expenditures within departments to a manageable level while allowing for addressing some postponed maintenance repairs and capital needs. If this recommended budget is approved, it will not impede the county’s ability to borrow funds if the need arises. The recommended budget with a \$.79 ad valorem tax rate will not result in the use of any general fund balance.

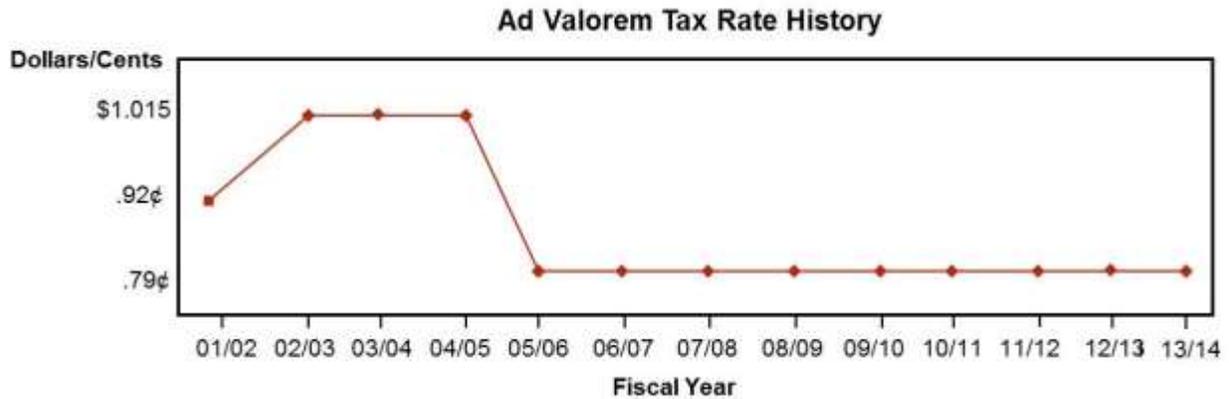
TAX BASE:

TAX BASE CHANGES

	<b><u>ACTUAL</u></b>	<b><u>ESTIMATED</u></b>	<b><u>PROJECTED</u></b>	<b><u>CHANGE</u></b>
	<b><u>FY 12-13</u></b>	<b><u>FY 13-14</u></b>	<b><u>FY 14-15</u></b>	<b><u>FY13-14 VS</u></b>
				<b><u>FY 12-13</u></b>
Real Property	\$645,236,840	\$711,706,470	\$718,823,535	\$66,469,630
Personal Property	60,159,589	63,657,664	64,930,817	3,498,075
Public Service	36,308,694	35,000,000	35,700,000	(1,308,694)
Vehicles	84,935,226	81,962,493	83,601,743	(2,972,733)
Less Exclusions	<u>11,669,725</u>	<u>11,580,055</u>	<u>12,159,058</u>	<u>(89,670)</u>
<b>TOTAL</b>	<b>\$814,970,624</b>	<b>\$880,746,572</b>	<b>\$890,897,037</b>	<b>\$65,775,948</b>

Washington County's tax base for 2013-2014 is projected to be \$880,746,572. The ad valorem tax collections will be \$79,668 per each cent of tax collected. The increase in Washington County's tax base is primarily due to the 2013 revaluation of real property.

Ad Valorem Tax Rate:



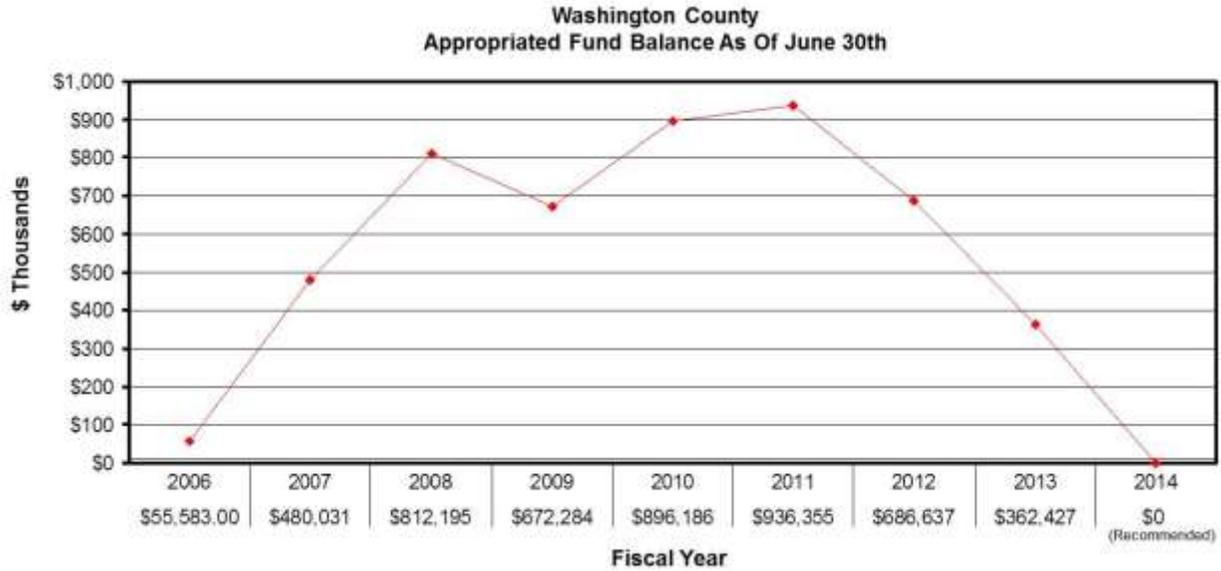
The recommended general fund budget includes an ad valorem tax rate of \$0.7900 per \$100 of assessed value. As a result of the revaluation, the tax neutral rate is \$0.7303 with an adjusted tax growth rate of \$0.7483. One cent (\$.01) on the tax rate will generate \$79,668 in revenues. The above graph displays Washington County's ad valorem tax rate history beginning with fiscal year 2001-2002. As displayed the tax rate was \$.92 per \$100 of assessed value and it was increased to \$1.015 in fiscal year 2002-2003.

The county completed a revaluation and implemented a new tax rate that was effective on July 1, 2005. The new tax rate was \$.79 per \$100 of assessed value. The new rate in effect at that time was a revenue neutral rate. The county has not raised ad valorem taxes during the past 11 years. During the period 2006 through 2012, the \$.79 tax rate has supported approved amended budgets that ranged from a high of \$16,222,088 to a low of \$13,038,239.

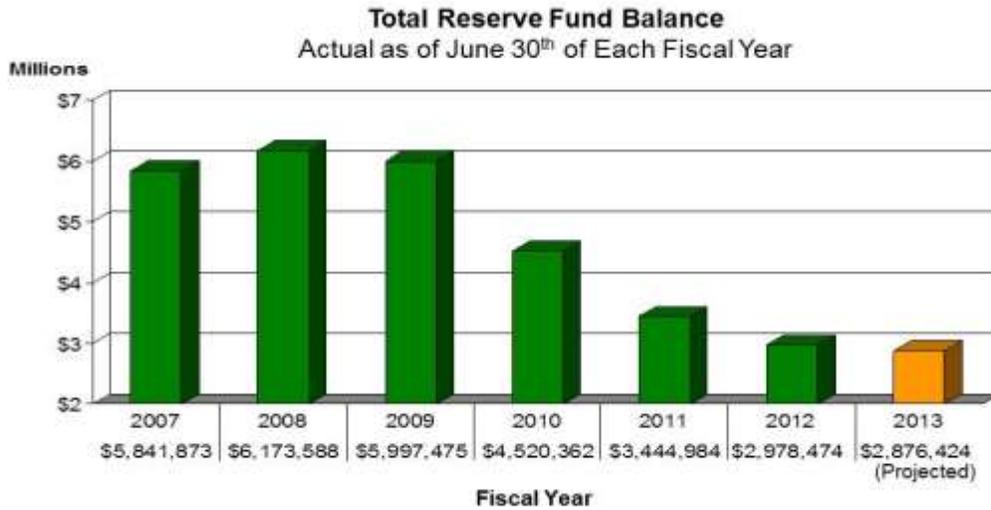
During the fiscal years 2008 through 2012 Washington County has reduced its general fund budget to ensure that a tax rate increase was not implemented. Since the tax base remained basically stagnant, the reserve fund was utilized during the fiscal years 2006 through 2012 to balance the budget. A neutral tax rate cannot sustain the level of current expenditures. In addition current county operations cannot be achieved without maintaining a \$.79 tax rate. The reserve fund cannot be used as a mechanism to balance the budget.

Reserve Fund:

The recommended budget maintains the county's overall financial condition and does not require an appropriation from the general fund to balance the budget.



The total reserve fund at June 30, 2013 is projected to be \$2,876,424. The following graph displays the reserve fund balances since fiscal year 2007.



**General Fund Revenues:**

General fund revenues are generated from ad valorem tax collections, sales tax receipts, various fees, fines, grants and limited shared revenue with the State of North Carolina generated by the sale of wine and beer. Total general fund revenues for the proposed 2013-2014 general fund budget are projected to be \$13,181,964.

Current year ad valorem tax levy is estimated to be \$6,293,777 which is a \$475,322 increase from the current year estimate of \$5,818,455.

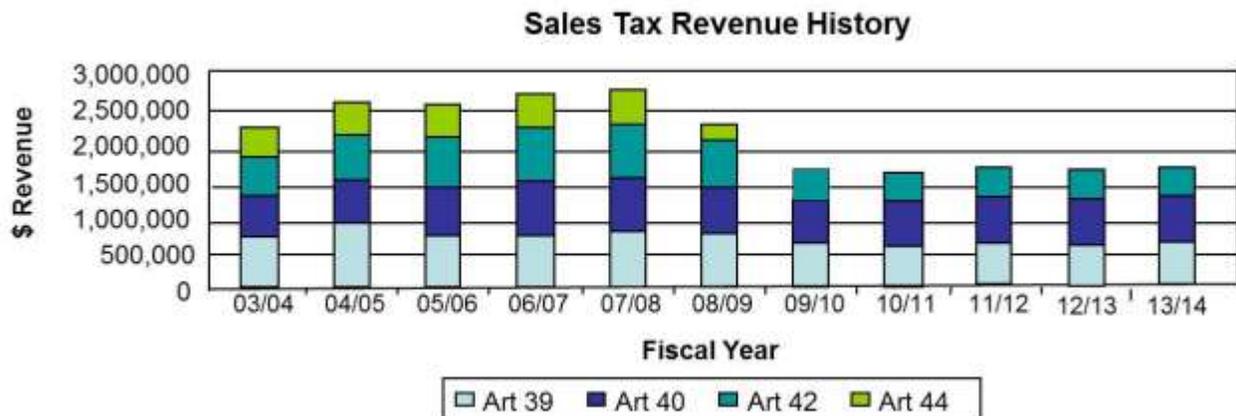
Total prior years' tax collections are estimated to be \$460,000 which is an increase of \$5,000 from the current year's estimate of \$455,000.

The taxes - ad valorem current year account represents revenue that the tax department will receive for collecting property taxes for Plymouth. We project that Plymouth will pay the county \$40,000 for this service.

Prior year tax interest is estimated to be \$75,000 which is an increase of \$4,693 from the current estimate of \$70,307.

Interest earned on investments is projected to be \$5,000 which is a decrease of \$5,000 from the current year estimate of \$10,000. The decrease is the result of interest and other earnings being significantly less because of the national economic recession and estimated future earnings potential.

Total sales tax revenues for all four classes of sales tax are projected to be \$1,687,589 which is a \$97,589 increase from the current appropriation based on actual current collection history. The following chart displays our sales tax revenue history for the past 10 years. Please note that our projected 2013-2014 revenue income is approximately \$1 million less than the revenue collected in 2007-2008.



Other significant budget revenue estimates include:

- The Northeast School of Biotechnology and Agriculture entered into a lease agreement for the Roper Annex facility and will result in new revenue estimated to be \$20,000.

*Mr. Rhodes noted during the meeting that no money was budgeted for the Farm Service Agency and we recently received a letter saying that the bid we put in for housing them was denied, so we will not be receiving any income from them.*

- Recreation fees and donations are estimated to be \$14,000 which is a decrease of \$2,600 from the current estimate of \$16,600.
- Elections-town reimbursement and filings revenue is estimated to be \$1,000 which is a decrease of \$19,000 from the current estimate.

- Department of Social Services revenues are estimated to be \$3,424,861 which is an increase of \$9,932 from the current estimate of \$3,414,929. The majority of the increase is the result of increased projected revenue from indirect cost reimbursement.
- Senior citizens funds are estimated to be \$23,614 which is an increase of \$23,114 from the current estimate of \$500. This revenue is the result of fees paid by center participants for activities such as crafts, line dancing, exercise room and trips.
- Homeland security grant revenue is eliminated as a revenue source in the budget. No grants through this program are projected for the new fiscal year at this time.
- Emergency management program funds revenue is not anticipated at this time.
- Court cost, fees and charges are estimated to be \$23,614 which is a decrease of \$1,386 from the current estimate of \$25,000. The decrease is a result of reductions in fees collected and the civil process.
- Register of Deeds fees are estimated to be \$67,300 which is an increase of \$7,300 from the current estimated amount of \$60,000. The recommended funding amount is based on collections history.
- Jail housing fees and reimbursements are estimated to be \$125,000 which is an increase of \$10,000 from an estimate of \$115,000.
- The cost allocation-waterworks is estimated to be \$175,000 which is a decrease of \$15,000 from the current estimate of \$190,000. This account represents ongoing allocations of costs for the overhead costs of various other departments (County Manager, Finance and IT for example) that provide administrative support to the operations of the Waterworks Department.

#### Enterprise Fund Revenues:

Washington County Waterworks Enterprise Fund revenues are projected to be \$1,290,337 which is a decrease in expenditures of \$32,556 from the current appropriation of \$1,322,893. The net decrease is related to not budgeting for capital expenditures that were budgeted for the current fiscal year. The base rate for 2,000 gallons of water will remain at \$21 per month. In addition, the consumption rate per 1,000 gallons will remain at \$10 per month.

Washington County Operational Sanitation Fund revenues are projected to be \$1,195,401. This level of funding represents a decrease of \$128,507 in expenses from the current appropriation of \$1,323,908. The decrease is a result of having completed a capital project in the current budget.

Emergency Medical Services (EMS) and Transport Services are projected to generate \$2,132,818 in revenues. This level of funding represents an increase of \$30,971 from the current estimate of \$2,101,847.

Plymouth Municipal Airport expenditures are projected to be \$160,752 which is a decrease of \$8,997 from the current appropriation of \$169,749. Expenditures for maintenance and repair have been decreased.

#### General Fund Expenditures:

General fund expenditures encompass several major areas of Washington County Government including education, public health, human services, law enforcement, emergency medical services, debt and general government. Total general fund expenditures for the proposed FY 2013-2014 budget are projected to be \$13,181,964.

General fund expenditures include the following areas:

- **Governing Board:** These expenditures total \$91,951 which is an increase of \$2,241 from the current level of \$89,710. The communications, travel and training, dues and contributions accounts were increased while the printing and advertising, and commission sponsored functions accounts were decreased.
- **County Manager's Office:** The budget includes total expenditures of \$371,670 which is an increase of \$26,334 from the current appropriation of \$345,336.
- **Board of Elections:** Expenditures are proposed at \$125,736. This amount represents an increase of \$30,659 from the current budgeted amount of \$95,077. Increases were budgeted for election board fees, part-time salaries, communications, travel and training, maintenance and repair of equipment, printing and advertising, building rents, and office supplies accounts. No additional funding is budgeted for a potential second primary. If the second primary is needed, a special appropriation from the reserve fund may be needed to fund that primary.
- **Finance Office:** Total expenditures are proposed to be \$464,678 which is an increase of \$191,779 from the current appropriation of \$272,899. Salaries and benefits for two employees currently budgeted in the Waterworks Department have been moved to the Finance Department budget. These salaries are associated with positions that have been assigned to finance and have accounts receivable functions. Also, a portion of the department's increase is due to moving the postage account from the Facility Services Department, budgeting for unemployment insurance, increases in the workman's compensation, and finance supplies previously budgeted in Information Technology such as W2 forms, 1099 forms, check printing cartilages and check blank paper.
- **Information Technology:** Expenditures are proposed to be \$109,788 which is a decrease of \$2,096 from the current appropriation of \$111,884. The majority of the decrease is related to a reduction of funding in the maintenance and repair of equipment, and some office and departmental supplies expenses being moved to the finance department.

- Tax Department: Proposed expenditures are \$273,098 which is a \$22,944 increase from the current appropriation of \$250,154. The majority of the increase is due to increases in the travel and training previously budgeted in reappraisal, office and departmental supplies accounts and salary adjustments.
- Geographic Information System (GIS): These proposed expenditures are \$66,832 which is an increase of \$5,924 from the current appropriation of \$60,908. The major increase is in required funding for software and hardware maintenance.
- Professional Services: These expenditures are proposed to be \$76,000 which is an increase of \$58,800 from the current appropriation of \$17,200. The majority of the increase is a result of budgeting for a contribution of \$50,000 to assist with funding the Washington County Hospital Pension Plan.
- Register of Deeds: These proposed expenditures are budgeted at \$140,746 which is an increase of \$8,438 from the current appropriation of \$132,308. The increase is attributed to additional funding needs for part-time salaries.
- Planning and Safety Department: The proposed expenditure is \$210,069 which is a decrease of \$54,171 from the current budgeted expenditure of \$264,240. The majority of the decrease is due to elimination of funding for a NIMS training grant, 2011 training grant and a Citizen Corp grant.
- Washington County Chamber of Commerce: This departmental budget was eliminated in the FY 2012-2013 county budget. This account was utilized as a pass through account to facilitate payroll for the Chamber employee(s). The Chamber has made operational and structural changes that will prevent the county from having the ability to accommodate processing their future payrolls. An operational subsidy in the amount of \$5,000 is included in the Economic Development budget item to continue to assist Chamber of Commerce operations.
- Facility Services: Expenditures for this department are proposed to be \$659,665 which is an increase of \$77,594 from the current appropriation of \$582,071. The net increase is attributed to increases in the utilities, maintenance and repair of buildings, building and equipment rents, insurance and bonds, capital outlay, roof replacement and Clerk of Court supplies accounts. A truck with very high mileage and ongoing maintenance and repair needs will be replaced. Also, carpeting in the courtroom and adjoining rooms is budgeted to be replaced due to its age and wear.
- Sheriff's Department: These expenditures are projected to be \$1,330,131 which is an increase of \$55,866 from the current appropriation of \$1,274,265. The majority of the increase is due to increases in the workman's compensation, unemployment insurance, maintenance and repair of equipment, automobile maintenance, building and equipment rents, uniforms, assessed fees-permits, and capital outlay-automobile accounts. One automobile is budgeted to be replaced.
- Detention Center: The expenditures for this department are proposed to be \$801,935 which is a decrease of \$9,014 from the current appropriation of \$810,949. The net

decrease is a result of lower funding for the professional services, employee training, maintenance and repair-equipment, and contracted services accounts.

- Fire Protection: These expenditures are recommended to be funded at \$306,523 which is an increase of \$665 from the current appropriation of \$305,858. Washington County amended its fire ordinance during the FY 2008-2009 budget year. That ordinance stipulated that fire departments serving the county would receive funding at a level that would equal up to four cents (\$.04) of the ad valorem tax rate. The ordinance also provided the ability for the County Commissioners to change the rate.
- North Carolina Forestry Service: These proposed expenditures are \$80,000 which results in an increase of \$4,174 from the current appropriation of \$75,826.
- Martin-Tyrrell-Washington District Health Department: The proposed budget maintains funding at the current amount of \$131,619.
- Communications Function: These proposed expenditures are projected to be \$324,530 which is an increase of \$17,074 from the current appropriation of \$307,456. The increase is due to additional funding for retirement, workman's compensation, 401(k) contribution, communications and office supplies.
- Department of Social Services Administration: Expenditures are projected to be \$2,654,804 which is an increase of \$4,993 from the current appropriation of \$2,649,811. The net increase is due primarily to increased funding for the communications account.
- Department of Social Services Economic Support: These expenditures are projected to be \$1,336,725 which is an increase of \$7,710 from the current appropriation of \$1,319,015. The net increase is the result of increased funding in the in-home services and LIEAP payments accounts.
- Department of Social Services Transportation: Expenditures are projected to be \$364,745 which is a decrease of \$69,390 from the current appropriation of \$434,135. The decrease is attributed to a fifteen-passenger van that was replaced with a twenty two-passenger light transit vehicle per the NCDOT vehicle replacement schedule. A fifteen-passenger van is scheduled to be replaced during FY 2013-2014.
- Senior Center: Proposed expenditures are projected to be \$168,423 which results in a decrease of \$10,070 from a current appropriation of \$178,493. The net decrease is a result of decreases in the workman's compensation and utilities accounts.
- Recreation: Expenditures are proposed to be \$154,924 which is an increase of \$18,983 from the current appropriation of \$135,941. The net increase is the result of increased funding in the communications, maintenance and repair of recreational properties, and maintenance and repair of buses accounts.
- Washington County Library: Proposed expenditures are budgeted at \$175,563 which is an increase of \$12,857 from the current appropriation of \$162,706. The net increase is attributed to additional funding for the utilities, equipment (server), hardware and software support, and maintenance (floor) accounts. The library requested \$50,000 in

funding to replace the building roof. However, this amount was not included in the library's proposed budget because of a grant application that is still pending. If the grant is not approved, then the county may need to appropriate funding for the roof replacement.

*Mr. Rhodes noted that the County received a letter last week from the NCDOC that they approved a CDBG grant of \$500,000 to repair the library roof and make other library improvements. Mr. Rhodes gave credit to Mr. Milazi for applying for \$500,000 instead of the original amount of \$50,000. There is no local match required.*

- Washington County Schools Current Expense: Funding is recommended at the FY 2012-2013 amount. The amount of funding is budgeted at \$1,525,000.
- Martin Community College: The college is requesting \$16,359 in funding. This level of funding will be the same as the current appropriation of \$16,359.
- Washington County Schools Capital Outlay: Funding is budgeted at \$300,000 which will be the same as the current budget of \$300,000.
- Buildings Debt Service: Expenditures are proposed to be \$100,000 which is a \$13,139 increase from the current appropriation of \$86,861. The increase is attributed to additional funding budgeted for the Strader Building purchase and a minor increase in industrial building interest.
- Project Transfers: Total expenditures are proposed to be \$150,482 which is a decrease of \$385,970 from a current appropriation of \$536,452. A transfer to the Tourism Authority was not funded. The contribution to Emergency Management Services was significantly decreased and a contribution to airport grant matches was not funded.
- Juvenile Justice and Delinquency Prevention: Expenditures are proposed to be \$82,803 which is a decrease of \$20 from a current appropriation of \$82,823. The juvenile justice programs provide assistance to children that have experienced problems with the judicial system, have demonstrated behavioral problems or have some interpersonal skill deficiencies. The program is state funded with a 10% local match.
- Contingency: The expenditure for this account is \$50,376. These funds represent the county's contribution to the proposed 2% COLA increase for county employees proposed for January, 2014.

#### Enterprise Fund Expenditures:

Enterprise fund expenditures encompass several areas of Washington County Government including water, sanitation, emergency medical services and the airport. Total enterprise fund expenditures for the proposed FY 2013-2014 budget are projected to be \$4,262,400.

Enterprise fund expenditures include the following areas:

- Sanitation Fund: These expenditures total \$1,195,401 which is a decrease of \$128,507 from the current appropriation of \$1,323,908. The decrease is due primarily to lower

expenditures for garbage collections and regional landfill costs. During FY 2012-2013 the landfill expansion project in the amount of \$119,000 was included in this item and funded from capital reserves. That project has been completed and no further appropriation is necessary.

- Emergency Medical Services (EMS): Expenditures for EMS, including medical transport services, are projected to be \$1,615,910 which is an increase of \$98,483 from the current appropriation of \$1,517,427. The majority of the increase is due to additional expenses for part-time salaries, unemployment insurance, communications, rent, diesel fuel, portable communications hardware, billings contracted services, EMS Director's salary adjustment and capital outlay for a replacement ambulance.
- Airport: These proposed expenditures are projected to be \$160,752 which is a decrease of \$8,997 from the current appropriation of \$169,749. The majority of the decrease is due to reductions associated with maintenance and repairs.

#### Recreation:

During the past several months there has been considerable interest expressed about recreation. Specifically, more varied recreational activities and recreation offerings that are available throughout the county have been the most expressed sentiment. The proposed recreation expenditure does not specifically address these issues. It is recommended that a recreation advisory committee be appointed to examine and provide recommendations about the status of recreation in the county in order to ensure variety in recreational programming, access to recreational activities, funding of recreational programs as well as other related recreational issues.

*During the meeting, Commissioner Johnson stated that at a previous meeting she asked for information about the previous recreation advisory board. Ms. Bennett provided her with the information requested. Commissioner Johnson distributed a preliminary ordinance. She will go to the Towns and ask for their input also. Mr. Rhodes said he asked Ms. Moscato to work with Mr. Fulford on creating a spreadsheet regarding current activities and participants to see what is in place now. Commissioner Phelps would like to see the Board look over the ordinance and get edits back to Commissioner Johnson within the next week. Commissioner Phelps would like to move forward on this quickly.*

#### Summary:

This recommended budget attempts to manage expenses and utilize revenues in order to meet all mandated funding requirements and ongoing needs and requires no general fund balance appropriation. The budget as recommended is balanced and is a financially sound plan that provides services to the citizens of the county in an effective and cost efficient manner. If the NC General Assembly passes other costs along to the county, those costs may need to be funded through special appropriations from the county's reserve fund.

I am very appreciative of the invaluable assistance provided by many of the county's staff who presented information, conducted research and provided input for those programs and services that are delivered to our citizens. The drafting of the budget required numerous of hours of work.

More of the county's employees are accepting additional responsibilities while striving to improve their work processes which lead to service delivery improvements. I sincerely thank each and every one of our employees for their exceptional dedication and service.

Thank you for your consideration of this budget proposal.

Work sessions are scheduled for May 15<sup>th</sup>, 16<sup>th</sup> and 17<sup>th</sup>.

A public hearing on the recommended budget for 2013-2014 will be held on Monday, May 20, 2013 at 7:00 pm in the Commissioners' Room.

Mr. Rhodes also stated the budget is scheduled to be adopted at the Commissioners' meeting on June 3, 2013.

Commissioner Phelps asked about the funding for the schools—he noticed it stayed the same. Mr. Rhodes stated that Washington County Schools did not send in their budget before this message was written. Dr. Davis was in the audience and said that they hope to just maintain this year what they had last year. Commissioner Phelps asked if there is something the County can do to offset the NERSBA money that is leaving the public schools.

FINANCE OFFICER'S REPORT: Mr. Milazi presented the following budget amendments:

➤ 13160—Planning and Safety	+\$2,637.00
	+2,000.00
	+7,200.00
	+12,800.00
➤ 13170—EMS Grant	+\$ 500.00

**Commissioner Johnson made a motion to approve Budget Amendment #13160 and #13170. Commissioner Sexton seconded, motion carried unanimously.**

A generator and transfer switch will be bought for the Plymouth Municipal Airport with the NCDPS grant for \$12,800 per Ann Keyes.

Mr. Milazi spoke to the Board regarding the refinancing of the water service debt revenue bonds.

**Commissioner Sexton made a motion to approve the resolution approving financing terms for refinancing the outstanding USDA revenue bonds (water service debt) with BB&T. Commissioner Johnson seconded, motion carried unanimously.**

OTHER ITEMS BY CHAIRPERSON, COMMISSIONERS, COUNTY MANAGER, CLERK, OR ATTORNEY:

Commissioner Johnson noted that East Carolina Behavioral Health (ECBH) will have a meeting next week to discuss the makeup of the board. This has to be completed by October.

Mr. Rhodes noted that he and Commissioners Johnson and Sexton attended the NCACC District Meeting in Greenville. The NCACC put together a video on these meetings and it can be viewed at <http://youtu.be/Pm1Y7gEDv7g>.

Commissioner Phelps asked Ms. Bennett to give a brief summary of the conference she recently attended. Ms. Bennett said she recently attended the annual North Carolina Association of County Clerks (NCACC) conference in Sunset Beach, NC at the Sea Trail Resort. One of the speakers was Mike Collins (from Raleigh) on The Perfect Workday. Some of the topics were on time management and how to adapt to change (the name of this session was "I Didn't Sign On For This!"). Ms. Bennett was recognized at the Conference for obtaining her North Carolina Certified County Clerks (NCCCC) designation and was also voted on by her peers to be a member of the NCACC Board of Directors. Commissioner Johnson commended Ms. Bennett on her accomplishments.

**Commissioner Sexton made a motion to recess the meeting until 7:00 pm on Monday, May 20, 2013. Commissioner Phelps seconded, motion carried unanimously.**

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Buster Manning  
Chair

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Julie J. Bennett, CMC, NCCCC  
Clerk to the Board