

.May 27, 2014

The Washington County Board of Commissioners met in a recessed session on Monday, May 27, 2014 at 6:00 PM in the Commissioners' Room, 116 Adams Street, Plymouth, NC. Commissioners Johnson, Manning, Phelps and Sexton were present. Also present were County Manager Jerry W. Rhodes and Clerk to the Board Julie J. Bennett, County Attorney Curtis Potter and Finance Officer Frank Milazi.

Chair Johnson called the May 27, 2014 recessed meeting to order.

ROPER GRADE SCHOOL MONUMENT: Chair Johnson stated that the Board of Education (BOE) is meeting tonight also to discuss the land that the Roper Grade School Alumni has requested to put their monument on. Mr. Curtis Potter, County Attorney said that the School's attorney has asked that we postpone making any decision until after the BOE meeting. The School's attorney will call Mr. Potter tomorrow to let the County know of their decision tomorrow. Mr. Potter feels that the BOE may revoke their earlier resolution and grant an easement to Mr. Lloyd Jones and that it would be in the alumni's best interest.

Commissioner Sexton made a motion to table this item until the June 2, 2014 Board of Commissioners meeting. Commissioner Phelps seconded, motion carried unanimously.

ABANDONED VESSELS LEGISLATION: Mr. Rhodes stated Representative Tine's office is asking for Washington County's support regarding a resolution on abandoned vessels. Washington County received an e-mail from Representative Paul Tine's assistant which explains the background to this local legislation mentioned above. Brunswick and Dare Counties are the only other two counties who are included in this bill.

Washington County has been asked to submit a resolution to Representative Paul Tine's office by May 28, 2014.

This is simply an opportunity to add Washington County as a whole into this local legislation as opposed to just the Town of Plymouth.

E-mail from Representative Paul Tine:

"Representative Tine has received a request from Mayor Brian Roth to propose local legislation to remove abandoned vessels in Washington County. Short session rules dictate that legislation must be non-controversial. We have received a resolution from the Town of Plymouth asking for this authority to be granted to the town, but also to extend to all of Washington County. In order to define this authority to extend through the county, we would need a resolution on file from Washington County. Please let me know if you feel the Board would be interested in doing so. The filing deadline for this legislation will be May 28. I apologize as this provides the Board with a limited timeline."

RESOLUTION

ABANDONED VESSELS LEGISLATION

WHEREAS, the North Carolina Department of Commerce has determined Washington County, North Carolina to be a Tier I County; and

WHEREAS, Washington County possesses or adjoins approximately 60 miles of navigable shorelines in and along rivers, lakes, and the Albemarle Sound; and

WHEREAS, abandoned, wrecked, or submerged boats and/or vessels detract from the natural beauty and aesthetics of its navigable waterways which are a primary economic development asset attracting tourists and recreationists from around the world; and

WHEREAS, abandoned, wrecked, or submerged boats and/or vessels also pose a legitimate threat to the public safety and welfare of Washington County's citizens and visitors by creating navigable waterway hazards, restricting natural drainage ways in a hurricane and flood prone region, and by potentially contaminating the environmental integrity of a delicate but diverse eco-system that supports various state and/or federal parks and wildlife areas including without limitation the Pettigrew State Park at Lake Phelps and the Pocosin Lakes National Wildlife Refuge.

WHEREAS, the General Assembly of the State of North Carolina has enacted legislation at NCGS 163-132 to allow Brunswick and Dare Counties to remove abandoned vessels in navigable waters through local ordinance powers; and

WHEREAS, Washington County desires to obtain such powers and authority, in order to protect the safety and welfare of its citizens and visitors.

NOW THEREFORE, BE IT RESOLVED BY THE WASHINGTON COUNTY BOARD OF COUNTY COMMISSIONERS, that Washington County hereby respectfully requests that the General Assembly of the State of North Carolina:

1. Enact legislation making the previously enacted law at NCGS 153A-132 applicable to Washington County, North Carolina; and
2. Enact such additional legislation as the General Assembly deems necessary, proper, and desirable within Section 160A of the North Carolina General Statutes to make the powers and authority conferred by the foregoing act applicable to all municipalities located along navigable rivers within the State of North Carolina, and specifically to the Town of Plymouth, North Carolina, as requested by the "Resolution of the Town of

Plymouth Regarding Abandoned, Wrecked, and/or Submerged Boats and/or Vessels along the Roanoke River Adjacent to the Town of Plymouth and/or its Extra Territorial Jurisdiction" adopted May 12th 2014, to the fullest extent required by law.

ADOPTED this the 27th day of May, 2014 by the Washington County Board of County Commissioners.

Tracey A Johnson, Chair
Washington County Board of Commissioners

ATTEST: _____
Julie J. Bennett, CMC, NCCCC
Clerk to the Board

Commissioner Manning made a motion to approve the resolution regarding abandoned vessels. Commissioner Sexton seconded, motion carried unanimously.

Ms. Ann Keyes, Emergency Management Director, mentioned that Washington County will be working with Bertie County when dealing with any abandoned vessels in the Roanoke River. This resolution covers where Washington County has jurisdiction.

PRESENTATION OF THE WASHINGTON COUNTY RECOMMENDED BUDGET 2014 - 2015: 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.)

TO: Tracey Johnson, Chairman
Cole Phelps, Vice-Chairman
Buster Manning, Commissioner
Bill Sexton, Commissioner

FROM: Jerry W. Rhodes, County Manager

RE: FY 2014-2015 County Manager's Proposed Budget

DATE: May 23, 2013

In accordance with North Carolina General Statutes, I respectfully submit for your review and consideration the proposed FY 2014-2015 budget for Washington County. This budget was prepared in accordance with the North Carolina Local Government and Budget Fiscal Control Act. The budget identifies revenue and expenditure estimates for the fiscal year that begins on July 1, 2014. The FY 2014-2015 budget totals \$13,384,536 for all county operations, capital improvements and debt service requirements. This

amount represents an increase of \$124,787 (0.9%) from the FY 2013-2014 budget of \$13,259,749.

Major highlights of the budget include the following:

- There is no proposed increase in the ad valorem tax rate of \$.79 per \$100 of assessed value.
- The budget contains no proposed increase in water rates for the fiscal year.
- There is no proposed cost-of-living adjustment for county employees.
- No new county-funded positions have been added to the proposed budget.
- Funding for the Washington County Schools is budgeted at same level as FY 2013-2014 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. has recommended an annual contribution of \$177,348.
- Major capital outlay expenses include the purchase of two replacement vehicles for the Sheriff's Department, two replacement trucks for the Water Operations Department, one replacement vehicle for the Planning/Inspections Department and one replacement van for Riverlight Transit.

Budget Development Process:

The budget development process began on February 4, 2014 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 were required to submit their proposed budgets for consideration by March 5, 2014. The County Manager and Finance Officer met with county department heads beginning on April 15, 2014 to review departmental budget needs. The recommended budget was balanced on May 16, 2014. Copies of the County Manager's recommended budget were sent to the Board of Commissioners on May 16, 2014 and to departments and external agencies beginning on May 19, 2014. The recommended budget is being presented to the Board of Commissioners on May 27, 2014. A public hearing regarding the budget will be held on June 9, 2014. Final adoption of the FY 2014-2015 budget is scheduled for June 23, 2014.

Budget Development Preparation Guidelines:

The following preparation guidelines, approved by the Washington County Commissioners on February 3, 2014, 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,
- Only capital projects will be considered that relate to replacement or repair of facilities or equipment as needed for safety or operability of a facility or piece of equipment, and
- Continue the collection of one cent (\$.01) countywide drainage tax.

Recommended Budget:

The recommended general fund budget totals \$13,384,536 with an ad valorem tax rate of \$.79 per \$100 of assessed value. The recommended budget includes the one cent (\$.01) drainage assessment reserved exclusively for proactive maintenance and improvements to the county's drainage system. The 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 continuing to address deferred 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 does require use of the general fund.

According to the Washington County Tax Department, the county's tax base for FY 2014-2015 is projected to be \$876,657,270. The ad valorem tax collection rate has been determined to be \$81,024 per each one-cent of tax collected. This represents an increase of \$1,356 (1.7%) for each one-cent collected from the current fiscal year rate of \$79,668. The tax rate is based on collecting 92% of the total assessed value of \$830,157,270 and collecting 100% of public utility assessed taxes.

The county completed a revaluation and implemented a new tax rate that was effective on July 1, 2013 that was adopted at \$.79 per \$100 of assessed value. This proposed budget continues the \$.79 per \$100 of assessed value for FY 2014-2015.

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 FY 2014-2015 general fund budget are projected to be \$13,384,536 and include an appropriation of \$157,251 from the general fund.

Current year ad valorem tax levy is estimated to be \$6,389,083 which is a \$95,306 (1.5%) increase from the current year estimate of \$6,293,777. The increase is due to the identification of additional taxable properties.

Total prior years' tax collections are estimated to be \$460,000 which is the same amount as the current year's estimate of \$460,000.

Prior year tax interest is estimated to be \$76,000 which is an increase of \$1,000 (1.3%) from the current estimate of \$75,000.

Interest earned on investments is projected to be \$5,000 which is the same amount as the current year's estimate of \$5,000. Total sales tax revenues from all sources of sales tax are projected to be \$1,735,000 which is an increase of \$41,411 (2.4%) from the current estimate of \$1,693,589.

Other significant budget revenue estimates include:

- Payment in Lieu of Taxes is projected to increase by \$5,000 to \$15,000.
- The Wine and Beer Tax is projected to decrease by \$15,000 to \$20,000.
- The Emergency Management Program Fund is projected to decrease by \$14,000 to \$20,000.
- Recreation Fees and Donations are estimated to be \$14,000 which is the same amount as the current estimate.
- Department of Social Services revenues are estimated to be \$3,226,788 which is a decrease of \$197,573 from the current estimate of \$3,424,361.
- Court cost, fees and charges are estimated to be \$25,000 which is an increase of \$5,000 from the current estimate of \$20,000.
- Building Permit Fees are projected to be \$55,000 which is the same amount as the current year's estimate.
- Register of Deeds Fees are estimated to be \$75,000 which is an increase of \$7,700 from the current estimated amount of \$67,300.
- Jail Housing Fees and State Reimbursements are estimated to be \$140,000 which is an increase of \$15,000 from the current year's estimate of \$125,000.
- Rent/Maintenance Reimbursement is projected to be \$20,000 which is an increase of \$10,000 from the current year's estimate of \$10,000. The projected increase is based on a new lease for space for the Farm Services Agency.

- School Reimbursement-WCU/CHS SRO is projected to be \$210,744 which is an increase of \$44,832 from the current estimate of \$165,912. The increase is due to the addition of a new School Resource Officer for Washington County Schools.
- The Cost Allocation-Waterworks is estimated is to be \$200,000 which is an increase of \$25,000 from the current estimate of \$175,000. 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 for the operations of the Waterworks Department.
- Cost Allocation-Sanitation is projected to be \$60,000 which is a \$5,000 increase from the current amount of \$55,000.
- Appropriated Fund Balance is estimated to be \$157,251.

Enterprise Fund Revenues:

- Waterworks Enterprise Fund revenues are projected to be \$1,368,405 which is an increase of \$78,068 (5.7%) from the current estimate of \$1,290,337. This revenue project is based on a total of 2,592 customers with an average usage of 4,000 gallons per month. Total charges for water consumption are \$1,291,884. It is also projected that \$76,521 will be collected due to late fees, penalties and interest and installations. 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.
- Solid Waste Fund revenues are projected to be \$1,272,959 which is an increase of \$77,558 (6.1%) from the current estimate of \$1,195,401. Revenue is derived from household solid waste fees, town solid waste user fees, regional commercial landfill disposal fees, construction contractors' disposal fees, penalties and interest, white goods and scrap tire disposal fees.
- Emergency Medical Services (EMS) and Medical Transport Services for Washington County are projected to generate \$1,101,790 in revenues. This revenue estimate is \$158,210 (12.6%) lower than the FY 2013-2014 projection of \$1,260,000.
- Plymouth Municipal Airport revenues are projected to be \$101,920. Revenues are generated from airplane fuel sales.

General Fund Expenditures:

General fund expenditures encompass several major areas of Washington County Government including education, public health, human services, law enforcement, debt

and general government. Total general fund expenditures for the proposed FY 2014-2015 budget are projected to be \$13,384,536.

General fund expenditures include the following areas:

- Governing Board: These expenditures total \$104,247 which is an increase of \$12,296 from the current level of \$91,951. The travel and training, dues and contributions accounts were increased.
- County Manager's Office: The budget includes total expenditures of \$332,208 which is a decrease of \$39,462 from the current appropriation of \$371,670. The salaries and maintenance and repair of the automobile accounts were reduced.
- Board of Elections: Expenditures are proposed at \$93,663. This amount represents a decrease of \$32,073 from the current budgeted amount of \$125,736. Fees paid to election officials, part-time and temporary salaries, office supplies, travel and training, communications, printing and advertising, and equipment accounts were reduced.
- Finance Office: Total expenditures are proposed to be \$538,690 which is an increase of \$29,415 from the current appropriation of \$509,275. The professional services account was increased as a result of transferring the expense of preparing the county's indirect cost plan from the Facility Services Department. The postage account was increased as well as the communications and equipment rental accounts.
- Information Technology: Expenditures are proposed to be \$154,493 which is an increase of \$42,705 from the current appropriation of \$111,788. The county operates six very old servers which control the county's IT system. Because of their age and functionality, these servers need to be replaced. Funds have been budgeted to replace the servers as well as addressing other related current IT needs.
- Tax Department: Proposed expenditures are \$271,870 which is a \$1,228 decrease from the current appropriation of \$273,098. The salaries and wages account has been decreased.
- Geographic Information System (GIS): These proposed expenditures are \$68,714 which is an increase of \$1,882 from the current appropriation of \$66,832. The increase is related to the need to replace the current computer that is used for GIS purposes.
- Professional Services: These expenditures are proposed to be \$95,000 which is an increase of \$19,000 from the current appropriation of \$76,000. Funding is included for a contract to study and recommend FLSA status of county employees, and contingency for other contracted services.

- Register of Deeds: These proposed expenditures are budgeted at \$139,390 which is a decrease of \$1,356 from the current appropriation of \$140,746. The decrease is attributed to a reduction in the part-time salaries account.
- Planning and Safety Department: The proposed expenditure is \$226,457 which is an increase of \$16,388 from the current budgeted expenditure of \$210,069. The increase in funding is attributed to additional funding needed to replace the vehicle used by the Fire Marshall/Building Inspector.
- Washington County Chamber of Commerce: The funding budgeted for the new fiscal year is \$10,000 which represents the same amount of funding budgeted for the current fiscal year.
- Facility Services Department: Expenditures for this department are proposed to be \$649,288 which is a decrease of \$10,377 from the current appropriation of \$659,665. The Clerk of Court account is reduced due to completion of upgrades to the courtroom. Also, funding for the county's indirect cost plan was budgeted in the Finance Department. Funding for the maintenance and repair of buildings was increased as well as funding for utilities and insurance and bonds.
- Sheriff's Department: These expenditures are projected to be \$1,320,074 which is a decrease of \$10,057 from the current appropriation of \$1,330,131. The salaries and wages part-time, worker's compensation, office supplies, maintenance and repair of equipment and undercover investigations accounts were reduced. Funding has been included to replace two deputy vehicles that have high mileage. Also, additional funding was included for the automobile supplies, travel and training, automobile maintenance, insurance and bonds, and capital outlay for equipment accounts.
- Detention Center: The expenditures for this department are proposed at \$856,723 which is an increase of \$54,788 from the current appropriation of \$801,935. The salaries and wages part-time, and capital outlay accounts have been reduced. The maintenance and repair of equipment account has been increased as a result of moving these expenses from the Facilities Department account. The Contracted Services account was increased due to anticipated inmate medical care expenses.
- Fire Protection: The Washington County Fire Ordinance which was adopted by the Board of Commissioners on February 4, 2008 and subsequently amended (Amendment II) on April 6, 2009 states in Article IV, Section I that, "The Washington County Board of Commissioners shall assess \$.04 (four cents) of Washington County's Ad Valorem taxes or an amount as the Board may from time to time determine appropriate to be used for fire protection measures in Washington County." For FY 2013-2014 (current fiscal year) one cent of ad valorem tax was valued at \$79,668. Based on that value the Fire Commission was allocated a total of \$318,672. The Washington County Tax Office has determined that for FY 2014-2015 that one cent of ad valorem tax will be valued at \$80,874. Based on that amount, a total of \$323,496 is budgeted for the Fire Commission which results in an overall increase in funding of \$4,824 (1.5%).

- North Carolina Forestry Service: These proposed expenditures are \$85,000 which results in an increase of \$5,000 from the current appropriation of \$80,000.
- Martin-Tyrrell-Washington (MTW) District Health Department: The MTW District Health Department requested an increase in funding for FY 2014-2015. The proposed budget increases funding to \$135,443 which results in an increase of \$4,405 from the current appropriation of \$131,038.
- Communications Function: These proposed expenditures are projected to be \$314,259 which is a decrease of \$10,271 from the current appropriation of \$324,530. The decrease is the result in a decrease in the salaries and wages and office supplies accounts.
- Department of Social Services Administration: Expenditures are projected to be \$2,690,383 which is an increase of \$35,579 from the current appropriation of \$2,654,804 (1.3%). The increase includes the reclassification of an existing Processing Assistant IV position to an Income Maintenance Caseworker position. Also, the travel and training, professional services, maintenance and repair of the building, building and equipment rents, and capital outlay for replacement of computers and servers were increased.
- Department of Social Services Economic Support: These expenditures are projected to be \$1,270,302 which is a decrease of \$66,423 (5%) from the current appropriation of \$1,336,725. The decrease is the result of reduced spending in the in-home services, crisis intervention, Title IV-E Foster Care, State Foster Home Care, and Special Assistance for Adults accounts.
- Department of Social Services Transportation: Expenditures are projected to be \$391,057 which is an increase of \$50,351 from the current appropriation of \$340,706. A light transit vehicle is budgeted for replacement.
- Senior Center: Proposed expenditures are projected to be \$210,350 which results in an increase of \$41,927 from a current appropriation of \$168,423. The increase is a result of the transfer of utilities expenses from the Facilities Services Department in order to obtain reimbursement for these expenses from the NC Division of Social Services. Also, the contracted services account was increased in order to reflect expenses associated with senior center sponsored trips which are offset by corresponding revenues for the trips.
- Parks and Recreation: Expenditures are proposed to be \$158,226 which is an increase of \$3,302 from the current appropriation of \$154,924. The net increase is due primarily to funding in the salaries and wages part-time, and miscellaneous accounts.
- Washington County Library: Proposed expenditures are budgeted at \$170,563 which is the same amount of funding budgeted for the current fiscal year.

- Washington County Schools Current Expense: Funding is recommended at the FY 2013-2014 amount. The amount of funding is budgeted at \$1,525,000.
- Martin Community College: Funding is recommended at the FY 2013-2014 amount. The amount of funding is \$16,359.
- Washington County Schools Capital Outlay: Funding is budgeted at \$300,000 which will be the same as current budget of \$300,000.
- Public Buildings Debt Service: Expenditures are proposed to be \$105,000 which is a \$548 increase from the current appropriation of \$104,452. The increase is attributed to additional funding budgeted for the county's contribution to the Judicial District 2 public defender's building lease.
- Project Transfers: Total expenditures are proposed to be \$141,190 which is a decrease of \$9,292 from a current appropriation of \$150,482.
- Juvenile Justice and Delinquency Prevention: Expenditures are proposed to be \$82,739 which is a decrease of \$64 from a current appropriation of \$82,803. 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.
- Contingency: This account is budgeted at \$10,000.

Enterprise Fund Expenditures:

Enterprise fund expenditures encompass several areas of Washington County Government including water, sanitation, emergency medical services and the airport. Enterprise fund expenditures include the following areas:

- Water Operations: Proposed expenditures total \$930,245 which is an increase of \$187,488 from the current appropriation of \$742,757. The increase in projected expenditures is due to financing of revenue bonds.
- Sanitation Fund: These expenditures total \$1,000,071 which is a decrease of \$195,330 from the current appropriation of \$1,195,401. The decrease is due primarily to lower regional landfill costs.
- Emergency Medical Services (EMS): Expenditures for Washington County EMS and Washington County Medical Transport are projected to be \$1,923,055 which is an increase of \$307,145 from the current appropriation of \$1,615,910. The majority of the increase in expenditures is for salaries and wages (staffing).

Expenditures for Tyrrell County EMS and Tyrrell County Medical Transport services are projected to be \$982,328 which is an increase of \$233,707 from the current appropriation of \$748,621. The majority of the increase in expenditures is also

related to salaries and wages (staffing) and capital outlay of equipment. Tyrrell County Medical Transport expenditures have increased due to budgeting for a full twelve months of operations as opposed to ten months of operation for FY 2013-2014.

Tyrrell County EMS and Tyrrell County Medical Transport services will be fully reimbursed by Tyrrell County.

- Airport: These proposed expenditures are projected to be \$193,105 which is an increase of \$32,353 from the current appropriation of \$160,752. New funding was included for the salaries and wages account for part-time and temporary staffing at the airport during those periods of time when the airport manager is away from the airport. The aviation gas and jet fuel account was increased as well as the maintenance and repair, and capital outlay for equipment accounts.

Washington County Schools

Washington County currently provides total funding to the Washington County Schools in the amount of \$1,825,000. In its proposed budget the Washington County Schools requested \$5,132,554 in total county funding for FY 2014-2015:

	<u>FY 2013-2014</u> <u>Budget</u>	<u>FY 2014-2015</u> <u>Request</u>	<u>Amount of</u> <u>Increase</u>	<u>% of</u>
<u>Increase</u>				
Current expense	\$1,525,000	\$2,566,358	\$1,041,358	40.6%
Capital outlay	\$ 300,000	\$2,566,196	\$2,266,196	88.3%
Total	\$1,825,000	\$5,132,554	\$3,330,554	64.9%

This proposed budget includes no additional funding for the Washington County Schools. Ad valorem taxes would need to be increased from \$.79 per \$100 of assessed value to \$1.61 per \$100 of assessed value in order to fully fund the Washington County Schools budget request. The Washington County Schools sent its request for additional funding to the Board of Commissioners without any prior discussion, planning or communication. It is recommended that the Washington County Board of Education initiate discussions with the Board of Commissioners in order to jointly develop a plan that addresses current and future school funding needs.

Washington-Tyrrell Emergency Medical Services (EMS)

Similar to other county-operated EMS programs, Washington County EMS is successfully fulfilling its emergency medical services mission to the county's citizens; however, revenues generally do not meet operating expenses. The primary sources of program revenue are Medicare, Medicaid, private insurance and private pay patients.

During January 2013, Washington County began administering EMS services for Tyrrell County. Afterwards, during October 2013, Washington County began administering medical transport services for Tyrrell County as well.

The FY 2014-2015 proposed budget for Washington County EMS reflects expenses that have increased due primarily to needed staffing changes in the two-county program. Primarily for that reason, expenses associated with staffing salaries have increased. Additionally, revenue projections have been lowered in order to better estimate anticipated revenues based on prior years' call volumes and projected medical transport service delivery. Because revenues for the program are lower than estimated for FY 2013-2014, an appropriation from the county's fund balance of \$496,565 would be needed in order to balance the EMS budget. The program is projected to receive approximately \$125,000 in "incentives" from Tyrrell County for administering its program. Also, it should be noted that all expenses related to administering the Tyrrell County EMS and Medical Services programs will be fully reimbursed by Tyrrell County. For the reasons cited above, I am recommending that additional budget work be devoted to the EMS budget in order to ensure that expenditures are at the lowest possible amount and all potential revenues are identified.

Summary:

This recommended budget attempts to manage expenses and utilize revenues in order to meet all mandated funding requirements and ongoing needs. 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 hours of work on the part of many county staff members. 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.

The Commissioners asked Mr. Rhodes the following questions during his presentation:

Chair Johnson asked if the County received the Farm Service Agency lease. Mr. Rhodes stated that the County has not heard whether or not the County will be leasing the building to the Farm Service Agency.

Commissioner Phelps asked Mr. Milazi what current fees are being collected from Recreation this year. Mr. Milazi said the County would be almost close to what is in the current budget, which is \$14,000.

Chair Johnson asked Mr. Rhodes why EMS is still set up as an Enterprise Fund. Mr. Rhodes said the Board of Commissioners did discuss changing it from an Enterprise Fund before but did not take action on making a change.

Discussion ensued after the budget presentation. Commissioner Phelps thanked the Manager and Finance Officer for the work they have done on the budget. Commissioner Phelps asked them to see if they can find more money for Washington County Schools (WCS). Mr. Rhodes stated that when the budget process began, the County did try to at least double the amount of money given to WCS. Up until last week, the County needs outweighed what the County could give the WCS. Mr. Rhodes said he even went back and cut the county budgets as much as he thought was possible. The \$3.3M increase requested by WCS without any discussion was troublesome. Mr. Rhodes stated that:

1. We need to fund the County's ongoing operations.
2. There needs to be a plan in place to help with ongoing school needs.

Commissioner Phelps noted that he, Chair Johnson and Curtis met with Rev. Wilkins and Lynn West of the BOE and feels that they did lay out some ideas. Commissioner Phelps challenged the other Commissioners to cut the County's departments budgets to find money for the schools. Budget sessions will be held on June 5 and 6. Department Heads will be called into meetings as needed.

Chair Johnson said EMS and the schools are the two biggest issues and the Board will have to figure out what the priorities are as a County.

John Flemming, EMS Director, said he has worked hard to try not to have the fund balance hit hard this year and he will continue to do so.

Dr. Joe Davis, WCS Superintendent said that he, David Noell, Jerry and Frank met a few weeks ago and had a conversation regarding the budget. Last year Dr. Davis did not feel comfortable asking for an increase since it was his first year as Superintendent. This year Dr. Davis asked for input from the principals to create a comprehensive budget for the schools. Dr. Davis feels that if we don't invest in our schools that economic development will never happen. The schools have had the same level of funding for many years even though their needs have increased. Commissioner Sexton asked Dr. Davis if the BOE has a capital outlay plan that lists priorities and sets aside funds for these priorities. Dr. Davis said they have set priorities based on things that need immediate attention. Commissioner Sexton asked what the increases from the state and federal agencies are. David Noell said they won't know until after the school year begins. Commissioner Sexton asked what the amount received was from state and federal agencies for last year. Mr. Noell said WCS was cut \$900,000 last year. Mr. Noell said that in order to replace the lights at all the school's athletic fields, it would take the \$300,000 that the County allotted in capital funds for this year (this project is mandated for this year).

Mr. Rhodes reminded everyone that budget work sessions are scheduled for June 5th and 6th.

A public hearing on the Washington County recommended budget for 2014-2015 will be held on Monday, June 9, 2014 at 6:00 pm in the Commissioners' Room.

Mr. Rhodes also stated the recommended budget is scheduled to be adopted at the Commissioners' meeting on June 23, 2013.

OTHER ITEMS BY CHAIRPERSON, COMMISSIONERS, COUNTY MANAGER, CLERK, OR ATTORNEY: The NCACC County Assembly Day is Wednesday, May 28, 2014. For the Commissioners who are attending, please let Ms. Bennett know if you would like to ride with Mr. Rhodes to this meeting.

Commissioner Sexton made a motion to go into Closed Session according to NCGS §143-318.11(a)(3) attorney-client privilege. Commissioner Phelps seconded, motion carried unanimously.

Back in Open Session, discussion amongst the Commissioners ensued regarding the EMS budget.

Chair Johnson gave the Commissioners a Performance Evaluation draft to review for doing evaluations on some County employees: County Manager, County Clerk and Finance Officer.

At 8:24 pm, with no further business to discuss, Commissioner Sexton made a motion to adjourn the meeting. Commissioner Manning seconded, motion carried unanimously.

Tracey A. Johnson
Chair

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