

May 18, 2015

The Washington County Board of Commissioners met in a recessed session on Monday, May 18, 2015 at 6:00 PM in the Washington County Commissioners Room, 116 Adams Street, Plymouth, NC. Commissioners Johnson, Manning, Phelps, Sexton and Walker were present. Also present were County Manager Jerry W. Rhodes, Clerk to the Board Julie J. Bennett, Finance Officer Frank Milazi and County Attorney Curtis Potter.

Chair Sexton called the May 18, 2015 meeting to order.

Mr. Rhodes stated that the latest and greatest budget was in front of Commissioners. Mr. Rhodes said went back and made some additional cuts and also revised the Health Department's appropriation to reflect 100% of their funding request. He met with the other two county managers (Martin and Tyrrell) last week and they all agreed to fund the Health Department at 100%. This change made a cut in the budget of a grand total of \$33,000--so the cuts continued in other Departments.

Last week, the Commissioners directed staff to rework the EMS hourly rate and overtime and look at water rate increases. Mr. Rhodes started with EMS. Commissioner Phelps asked if these numbers represent the average of all the EMS hourly wages. Commissioner Phelps stated he asked to see each employee's rate and what their overtime rates would be. Ms. Watters, Accounting Specialist, said Finance worked those numbers but did not distribute them because they were higher. Ms. Watters stated that current EMS costs would increase by \$10,400 if you used each employee's rate and their actual overtime rate. Mr. Rhodes felt that the average could be used as the benchmark.

WASHINGTON COUNTY EMS/TRANSPORT
2015-2016 FISCAL YEAR

<u>EXPENDITURES</u>	<u>REVENUES</u>	<u>CURRENT</u>	<u>36/48 \$10 OT</u>	<u>36/48 AVG OT</u>
Washington County EMS		1,436,794	1,201,552	1,209,268
Washington County Transport		646,238	282,461	284,885
Total Expenditures		2,083,032	1,484,013	1,494,153
 <u>REVENUES</u>				
EMS Revenues	650,000.00			
EMS - Non Emergency Transport	100,000.00			
Tyrrell County EMS Contract	100,000.00			
Tyrrell County Transport Contract	75,000.00			
EMSCost Report Dept of Health HS	120,000.00			
Total Revenues		(1,045,000)	(1,045,000)	(1,045,000)
Difference		1,038,032	439,013	449,153
From General Fund		(100,000)	(100,000)	(100,000)
From other sources of funding		938,032.00	339,013	349,153

Discussion ensued regarding the fluctuating workweek and overtime calculations. Jerry distributed a summary of transport for the months of March and April 2015.

Washington - Tyrrell Transport Summary
for the months of
March & April, 2015

<u>Month</u>	<u>Trips</u>	<u>6:00 AM-6:00 PM</u>	<u>6:00 PM-6:00 AM</u>
March	82	56	26
April	107	66	41
Total	189 (100%)	122 (65%)	67 (35%)

<u>Weekday</u>	<u>6:00 AM-6:00 PM</u>	<u>Percentage</u>	<u>Rank</u>
Monday	17	14%	4
Tuesday	20	16%	2
Wednesday	18	15%	3 (tie)
Thursday	25	20%	1
Friday	18	15%	3 (tie)
Saturday	17	14%	4
Sunday	7	6%	5
Total	122	100%	

During the months of March and April:

- ✓ 65% of all trips were performed between 6:00 AM - 6:00 PM.
 - ✓ 35% of all trips were performed between 6:00 PM - 6:00 AM.
 - ✓ Thursday was the best transport weekday followed by Tuesday, Wednesday/Friday and Monday/Saturday.
 - ✓ Sunday was the least utilized transport weekday.
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Recommendations:

- ✓ Operate both transport vehicles on a twelve-hour daily shift.
- ✓ Operate Washington transport vehicle Monday through Friday (no weekends)
- ✓ Operate Tyrrell transport vehicle three days a week with one day to include Saturday.
- ✓ No transports would be performed on Sunday.
- ✓ Adjust twelve-hour schedules, if needed, to reflect transport needs.

This chart shows that EMS Transport could be done with two (2) shifts (instead of the current three (3))—one in each County on a 12-hour shift. Cutting one shift would save money. With more aggressive marketing the County could pick up more transports. Commissioner Phelps asked if going to two (2) shifts would eliminate any personnel. Ms. Watters said no personnel would be eliminated since there are some open positions on the emergency side and personnel would be moved into those positions.

The savings is shown in the first chart above. Even with these changes the County is still short on funding but changes have to be made as a start.

Mr. Milazi mentioned that the County may not be able to put funds in the hospital pension program this year.

Mr. Milazi reminded the Board that he has submitted a Fund Balance Policy to them, but it has not been approved yet.

Mr. Milazi and Mr. Rhodes said it would take between a 3 and 4 cent tax increase (earmarked as an EMS fund) to make this year's budget work.

Mr. Rhodes mentioned the 1 cent drainage assessment could help offset the EMS cost. However, due to the EMS deficit, the County would still need a 2 cent tax increase.

Mr. Rhodes stated other areas that could be cut:

Employees 2% increase = \$138,000

Teachers supplement = \$78,000

Money given to the fire departments

Mr. Rhodes mentioned he cut the \$80,000 for the ambulance that was originally in the EMS budget.

Commissioner Manning wondered if cutting employee benefits would save any funding.

Commissioner Johnson said the County could look at cutting the 401K 3% contribution that the County makes to employees to 1%. Commissioner Johnson said the Board needs to make changes this year—this year is the year that tough decisions will have to be made.

Commissioner Phelps stated he would like to see what a 3 cent EMS tax would look like in the budget and what a 4 cent tax would look like in the budget.

Commissioner Manning commended Mr. Rhodes for the work he has done on the budget in trying to eliminate the EMS shortfall.

The Board agreed that the changes need to be made in EMS transport as suggested in Jerry's presentation.

Next Mr. Rhodes went on to discuss Residential Water Rates. Mr. Rhodes put together a spreadsheet with the water rates from surrounding counties.

Residential Water Bills – Monthly Base Charges
as reported by the
NC League of Municipalities & UNC Environmental Finance Center
January, 2015

Utility	0-2,000 Gallons	2,001-3,000 Gallons	3,001-4,000 Gallons	4,001-5,000 Gallons
Beaufort County – District 1	\$32.64	\$38.09	\$43.54	\$48.67
Beaufort County – District 2	\$25.08	\$30.33	\$35.58	\$40.25
Beaufort County – District 3	\$28.19	\$32.89	\$37.59	\$42.29
Beaufort County – District 4	\$33.78	\$39.41	\$45.04	\$50.31
Beaufort County – District 5	\$35.36	\$41.24	\$47.12	\$52.64
Beaufort County – District 6	\$28.19	\$32.89	\$37.59	\$42.29
Beaufort County – District 7	\$32.00	\$37.34	\$42.68	\$48.02
Bertie County	\$20.00	\$25.00	\$30.00	\$35.00
Chowan County	\$ 9.00	\$13.50	\$18.00	\$22.50
Hyde County	\$25.00	\$31.00	\$37.00	\$43.00
Martin County	\$36.00	\$48.00	\$54.00	\$60.00
Tyrrell County	\$22.50	\$30.00	\$35.00	\$40.50
Washington County	\$21.00	\$31.00	\$41.00	\$51.00
Town of Plymouth	\$19.00	\$23.00	\$27.00	\$31.00
Town of Roper		-< no information reported ->		
Town of Creswell - inside	\$15.00	\$31.50	\$37.00	\$42.50
Town of Creswell – outside	\$20.00	\$36.50	\$42.00	\$47.50

Current Rates

Size	Consumption	Current estimated Revenue	\$1,263,513
3/4" meter	\$ 21.00 \$ 10.00		
1" meter	\$ 35.00 \$ 10.00		
1.5" meter	\$ 58.00 \$ 10.00		
2" meter	\$ 98.00 \$ 10.00		
3" meter	\$ 163.00 \$ 10.00		
4" meter	\$ 243.00 \$ 10.00		
6" meter	\$ 483.00 \$ 10.00		
8" meter	\$ 723.00 \$ 10.00		

Rate includes first 2000 gallons and consumption charge is for every 1000 gallons after that first 2000.

Increase in																			
Base	\$ 3.00	\$ -	\$ 1.00	\$ 2.00	\$ -	\$ 7.00	\$ 2.50	\$ -	\$ 2.90	\$ 3.00	\$ -	\$ 3.00	\$ 6.00	\$ -	\$ 4.00				Increase in Base
Consumption	\$ -	\$ 3.00	\$ 1.00	\$ -	\$ 2.00	\$ 7.00	\$ -	\$ 2.50	\$ 2.90	\$ -	\$ 3.00	\$ 3.00	\$ -	\$ 4.00	\$ 4.00				Consumption
Increase in Revenue	\$ 31,157	\$ 48,843	\$ 80,995	\$ 62,306	\$ 99,000	\$ 161,970	\$ 77,880	\$124,608	\$202,488	\$ 91,458	\$ 149,530	\$ 242,988	\$ 126,000	\$199,370	\$123,980				Increase in Revenue
Average Bill would go up approximately	\$ 1.00	\$ 3.00	\$ 2.00	\$ 2.00	\$ 2.90	\$ 4.00	\$ 2.50	\$ 3.50	\$ 3.00	\$ 3.00	\$ 3.00	\$ 6.00	\$ 4.00	\$ 4.00	\$ 8.00				Average Bill would go up approximately
Currently	\$ 31.00	\$ 32.00	\$ 32.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.50	\$ 33.50	\$ 36.00	\$ 34.00	\$ 34.00	\$ 37.00	\$ 35.00	\$ 35.00	\$ 39.00				Average Bill

Waterworks Rate Increases

<u>Rate Increase (1)</u>	<u>Avg. Monthly Bill Increase</u>	<u>Revenue Increase (2)</u>
\$1.00	\$2.00	\$076,945
\$2.00	\$4.00	\$153,890
\$2.50	\$5.00	\$192,363
\$3.00	\$6.00	\$230,836
\$4.00	\$8.00	\$307,782

- (1) represents an equal increase in the base and consumption rates of the amount shown
(2) represents 95% of total projected collections (based on dividing collections by billings for the twelve-month period of May 1, 2014 through April 30, 2015.)

Additional revenues would be used for:

- ✓ Reserve (\$50,000 annually)
- ✓ Meter loan (\$30,000 annually)
- ✓ Projects

Proposed increases are shown in water rates above. Commissioner Manning feels that the County needs to increase the water rates to be able to put money in water reserves. Mr. Rhodes recommended an increase of \$2.50 for base rates and \$2.50 for consumption for a revenue increase (with a 95% projected collection). Commissioner Johnson suggested increasing the water rates even more to be able to cover the salary and benefits for the two employees in Finance that work for the Water Department.

Mr. Rhodes noted that an increase of \$2.50 = \$192,633. An increase of \$3.00 = \$230,836.

Commissioner Manning asked if changes have been made to the Waterworks Ordinance regarding citizens who only pay the minimal \$21 on large bills. Mr. Potter said those changes are still in the works.

Ms. Bennett went over the changes made in the budget calendar. They are highlighted in yellow below.

Tuesday, May 19, 2015

Budget message is reviewed/written

Tuesday, May 26, 2015

Presentation of the County Manager's budget message & recommended budget to BOC

Wednesday, May 27, 2015

Publish in newspaper notice stating that budget has been filed and is open for public inspection & setting time & place for public hearing on budget

Monday, June 08, 2015

Official **public hearing** on the budget
AND
Adoption of Budget Ordinance
Budget Ordinance may not be adopted until (1) ten days have elapsed from date budget is filed & (2) public hearing is held.

Monday, June 22, 2015

Distribute final adopted budget
Begin preparing budget document for printing

Commissioner Manning made a motion to go into Closed Session pursuant to NCGS §143-318.11 (a)(3) (attorney client privilege) and NCGS §143-318.11 (a)(6) (personnel). Commissioner Phelps seconded, motion carried unanimously.

At 9:00 PM, back in Open Session, with no further business to discuss, Commissioner Phelps made a motion to recess the meeting until Tuesday, May 26, 2015 at 6:00 PM for the budget presentation. Commissioner Walker seconded, motion carried unanimously.

William R. Sexton, Jr.
Chair

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