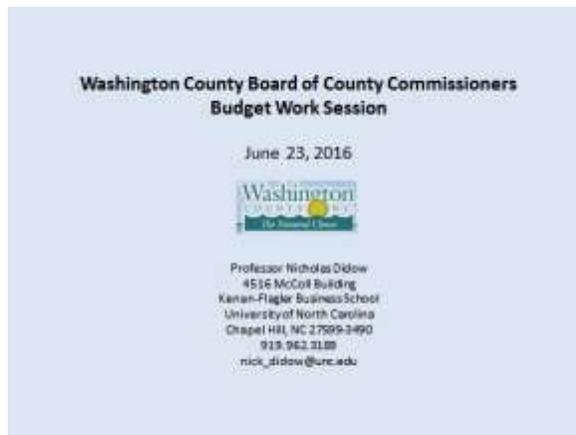


June 23, 2016

The Washington County Board of Commissioners met in a recessed meeting on Thursday, June 23, 2016 at 6:00 PM in the Commissioners' Room, 116 Adams Street, Plymouth, NC. Commissioners Johnson, Manning, Phelps, Sexton and Walker were present. Also present were County Manager Willie Mack Carawan, Jr., Clerk to the Board Julie J. Bennett, County Attorney/Assistant County Manager Curtis Potter and Deputy Finance Officer Missy Dixon.

Chair Phelps called the June 23, 2016 recessed meeting to order. Chair Phelps added Item 2A, Budget Transfers to the agenda.

IBX TOURISM DEVELOPMENT AUTHORITY: Professor Nicholas Didow of Kenan-Flagler Business School at UNC-SOG spoke to the Board regarding the Northeastern Regional Tourism Development Strategy. Professor Didow told the Board he would be asking them for consideration of \$35,000 in the upcoming budget for the IBX Tourism Development Authority. Professor Didow stated that most of his local community economic development partnerships and projects are in rural eastern NC. Professor Didow gave the following presentation.



Most of my local community economic development partnerships and projects are in rural eastern North Carolina, and many are in the northeast



NC Zoo, The Market on Oak, NC Children's Theatre

Local EDC Partnerships & Projects

- Hertford Green Marina & Waterfront
- Edenton Community WiFi
- Rocky Mount Gateway Partnership
- Twin Cities Business Growth Initiative
- Rocky Mount Downtown Redevelopment
- The Imperial Centre - Rocky Mount
- Hulae
- Spirit Aero Systems
- GDP
- City of Kinston
 - 900 Acres Buyback
 - Highway 11 Streetscape
- Blue Diamond Packaging
- Hawkeye Indian Cultural Center
- Berke County - The Hive
- Beaufort County Innovation Ctr
- Town of Rooper
- KFBS - IBE Authority
- City of Elizabeth City
- Duplin County Airport
- CCA River Way Lumberton

Repositioning The Imperial Centre in Rocky Mount involved tourism-based economic development and marketing strategies



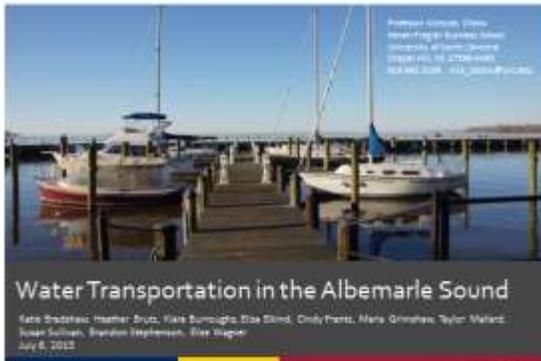
Developing The Market on Oak in Spruce Pine was a tourism-based economic development and marketing strategy project leveraging local arts, crafts, and history



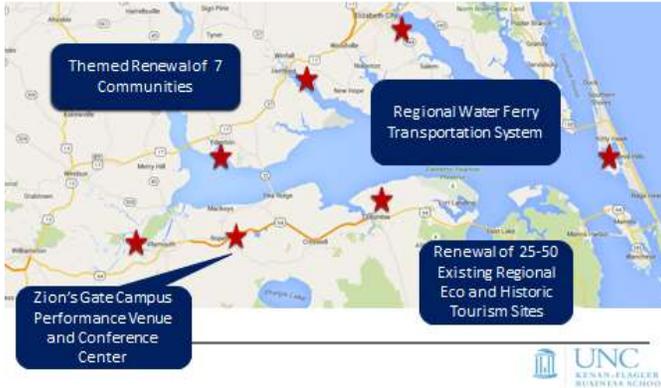
My other major projects and partnerships are often statewide, such as the MCNC Golden LEAF Rural Broadband Initiative that started as a RFBSS broadband infrastructure deployment effort in 22 northeastern NC counties and grew and grew...



And helping NC Commerce and the Office of the Governor to develop the new North Carolina brand and logo



The WaterFerry System is one of four major initiatives to increase tourism and create sustainable jobs and careers across the region



Routes 1, 2, and 3 of the Ferry System include Elizabeth City, Columbia, Edenton, Plymouth, Hertford, and Kitty Hawk 10

Routes 1, 2, and 3:



Why These Cities:

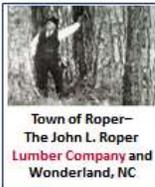
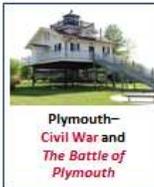
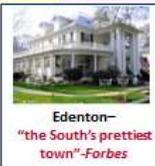
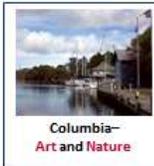
- Location (accessibility and inter-distance)
- Infrastructure and amenities
- Vitality, attraction, and potential
- Bring more tourists to the OBX
- Generate additional tourism in the IBX

Quick ramp up time & flexible hop on hop off trips

Source: NCDOT GIS Unit

Introduction | **Operations** | Finances | Risks | Recommendation |

The historic communities of the region have a high tourism market appeal because of their unique identities 11



Source: Pinterest, Team LinkedIn





The **IBX** Authority
Breathing Life into the Inner Banks

Faculty Advisor: Nick Didow
 • Nick_Didow@unc.edu
 • 819-962-8189

Team Lead: Jay Yang
 • Jay_yang@kenan-flaglerunc.edu
 • 804-787-8667

Executive Summary

We propose to organize and institute the IBX Authority to foster economic development and regional cooperation through tourism in the Inner Banks.



Why do we need IBX Authority?



Structure of IBX Authority



Impact and Financials



Page 13

IBX Authority strategic partners will include ECSU, ECU with its renowned College of Fine Arts and Communication that provides talent and skills 14



**Broadway,
TV, and
Film**

Deep talent pool of singers, dancers, actors, designers, and production assistants



Host to 100s of public performances and gatherings every year

Host





Design and Production

- Prestigious arts programs
- Top-of-the-line training
- Stage Management & Theatre Design



Talent Pool

- Highly-regarded theater programs
- Students & Alumni want to stay in NC
- About an hour's drive from site



Specialties

- Institute of Outdoor Theatre
- Theater Feasibility Studies
- Strong Local Outreach Program



6th Drama College Program in the United States
Hollywood Reporter

Drama High School Program in the United States
Hollywood Reporter **3rd**



Kenan-Flagler Business School



The IBX Authority will operate as a 501(c)(3) under the auspices of UNC's Kenan-Flagler Business School and will

- Partner with NC Commerce, Golden LEAF Foundation, NC East Alliance, ECU, EC-SU, UNC-SA, USDA and with local, county, regional, and statewide tourism and economic development groups
- Develop the region as a collective tourist destination with a variety of offerings under authentic themes based on the culture, history, and preferences of each participating community
- Upgrade and enhance existing destination attractions as needed
- Identify and develop additional attractions
- Coordinate with communities and counties to ensure quality experiences
- Channel private sector investment
- Obtain state, federal, and private grants to upgrade, develop, and market communities and destination attractions throughout the region
- Manage a major fund for revolving loans and grants to potential downtown entrepreneurs to stimulate investment in participating communities
- Build and leverage regionalism throughout the IBX region

Commissioner Johnson asked if is this part of a program that was started in Beaufort County 10 years ago. The logo is the same. Professor Didow said yes, he partnered with them on various projects. Commissioner Johnson asked if he was associated with NC Growth. Professor Didow replied yes. They are partners in some of this project he is presenting. Commissioner Johnson also asked Professor Didow who was surveyed and where did he get his information for the feasibility study. Professor Didow said his information was based on secondary data. He did not do primary data gathering. He used information on tourist patterns. He talked to various town managers and elected officials. Commissioner Johnson asked what other stakeholders have

agreed to put money into this project and where will it be located. She also asked who will be providing the administrating of this project. Professor Didow said he is 18 months ahead of schedule. IBX Authority is now a 501(c)(3) company, housed at UNC-SOG. It is a new non-profit that it will be operating under. Commissioner Johnson asked would he be bringing the Balancing Nature initiative into this. Professor Didow said he could include that.

Commissioner Manning asked who was in the IBX besides him. Professor Didow stated that Ms. Bunny Sanders and Mr. Phil Horne are also directors. Other stakeholders will be brought in and the majority of them will be from the Albemarle Sound region. Commissioner Manning said that Professor Didow said he talked to other town managers. Commissioner Manning asked what the names of the ones he talked to are. Professor Didow said that Washington County is the first group he has presented to. Professor Didow said he wanted Washington County to be the first ones involved in this project. Washington County has Somerset and Lake Phelps.

Commissioner Walker asked would Professor Didow use interns to do some of the groundwork. Professor Didow said it would depend on the skill set that was needed and that would determine who he would use. He has used a mix of grad and under-grad students, but it depends on what is needed to do the project well. Commissioner Walker said Washington County has a local Tourism Board here. How would he integrate them? Professor Didow said he would welcome any local or regional groups to join in.

Chair Phelps clarified that this IBX Authority would draw in more tourists which would increase the County's tax base. Chair Phelps asked would it create jobs for people in our area. Professor Didow said jobs would range from construction, design, capital improvements/projects, hospitality, etc.

Commissioner Johnson asked if the startup funds would have to be given each year. Professor Didow said the funds would be used to bring in tourists and change to Washington County. He would look at making improvements to downtown Plymouth.

Chair Phelps asked would he be a grant writer for the County. Professor Didow said he would be doing some of that. He has written a grant to Golden LEAF for \$24,000,000. He has to find other funds to get the grants started but eventually wants them to be self-sustainable, so he would be looking for funding sources.

Mr. Carawan said if Professor Didow is talking about making improvements to the town of Plymouth, then their Town Council needs to hear this presentation.

Commissioner Manning asked Professor Didow if he has met with folks from Somerset or the Outer Banks Speedway. Professor Didow said no he has not spoken with them.

Commissioner Sexton asked what the \$35,000 would be used for. Professor Didow said it would be used for travel expenses, specialty services/skills or a market survey or getting access to a sample of surveys that have previously been done—basically an expense budget to work from. Commissioner Sexton asked how the ferries would benefit the racetrack. Professor Didow said they could plan excursions from the ferries to various places such as Somerset or the racetrack. Commissioner Sexton asked Professor Didow would he be willing to work on other projects if the ferry project doesn't work out. Commissioner Sexton noted that he is on the RPO

and they have been working on the ferry services for Ocracoke. Has he reached out to them? Professor Didow said no he has not.

Chair Phelps said he doesn't know what the answer is, but for his four years on the Board he has seen no growth. Chair Phelps said he sees young people leave the County and not come back. Washington County's population is dying. Chair Phelps said there is some money in the budget from the Sales Tax Distribution and suggested that some of it could be used for economic development. Chair Phelps said he didn't know if this is the time to do this, but at some point the Board has to take a risk.

Commissioner Walker stated that during our public hearing on the budget, he heard folks talk about what needs to be done in our County. Commissioner Walker said the County has got to do something different if we want things to improve. The shape the County is in did not occur overnight.

Commissioner Manning said that he is not opposed to the ideas presented tonight, but he would for Professor Didow to make a presentation to the other towns and then the Commissioners can revisit the ideas presented.

Commissioner Sexton said it sounds like it is an interesting project if someone can put it together. Commissioner Sexton felt that he needs to talk to some of the other communities. Commissioner Sexton said he is not opposed to the ideas presented. Commissioner Sexton said he talked to the County Manager and there is some money available for economic development.

Commissioner Johnson asked if the County has made any plans for the sales tax distribution. Mr. Carawan said the sales tax distribution money can be used for economic development and building of schools. Commissioner Johnson asked if that money is set aside currently. Mr. Carawan said that money is dependent upon the revenues collected. Commissioner Johnson said she feels that they need to talk to other communities also.

Chair Phelps said something has to change. Commissioner Manning said the first step is to ask what happened to downtown Plymouth. Commissioner Manning went on to say that some of our surrounding counties look better than we do such as Columbia (Tyrrell County) and Williamston (Martin County). Commissioner Johnson said all the towns need to be on board. Commissioner Sexton said he feels that the budget is the top priority and this will not affect the budget so a decision does not have to be made tonight. Chair Phelps thanked Professor Didow for coming to speak.

COMMISSIONERS' BUDGET WORK SESSION: Mr. Carawan spoke to the Board and said that based on the last cuts made by the Board, the tax rate is currently at .835 cent. Chair Phelps asked what 2 cent would look like coming from the fund balance. Mr. Carawan said \$501,208 would need to be taken from the fund balance. Mr. Carawan said he talked to the auditor today. A declining fund balance and budgeting reoccurring expenditures out of unassigned fund balance plays a part into whether or not the County will be able to borrow money in the future. Mr. Carawan said we are at a 4.5 cent tax increase right now. Mr. Carawan went over the 'big ticket' items again.

Commissioner Johnson said based on the e-mail today regarding the jail inspection she asked if the County currently has the money to cover the items that need to be fixed. Sheriff Barnes said he currently has the money for the items that need to be fixed.

Commissioner Manning asked what amount of a cut across the board for every department would bring the budget back to the current tax rate. Mr. Carawan said a 2.5% cut would do that.

Commissioner Johnson asked Mr. Potter what about initiating a tax or fee just for EMS. Mr. Potter said what may work for fire services may not work for EMS because we provide services equally to everyone in the County. Mr. Potter said he is researching service district taxes.

Commissioner Manning asked Chair Phelps when he proposes to approve the budget. Chair Phelps said hopefully tonight.

Commissioner Manning said based on what he has heard from the citizens, he would like to make a motion to do an across the board cut of 2.5% for each Department and that if a true emergency comes up throughout the year that it will be covered by fund balance. Chair Phelps seconded. Discussion ensued. Commissioner Johnson said she feels the Board should go into Closed Session before finalizing anything. **Chair Phelps called for the vote. Commissioner Manning and Chair Phelps voted aye; Commissioners Sexton, Johnson and Walker voted nay. Motion failed 3-2.**

BUDGET TRANSFERS: Ms. Dixon went over the following budget transfers:

- BT#: 2016-014 Airport, Planning & Safety and E911 inter-departmental transfers
- BT#: 2016-015 Senior Center and Communications inter-departmental transfers
- BT#: 2016-016 DSS inter-departmental transfers
- BT#: 2016-017 DSS inter-departmental transfers
- BT#: 2016-018 Airport inter-departmental transfers
- BT#: 2016-019 Washington County EMS inter-departmental transfers
- BT#: 2016-020 TTA inter-departmental transfers
- BT#: 2016-021 Detention, Treatment Plant, Landfill and Water Operations & Maintenance inter-departmental transfers
- BT#: 2016-022 DSS inter-departmental transfers
- BT#: 2016-023 DSS, Airport and Tax Offices inter-departmental transfers

Commissioner Sexton made a motion to approve the abovementioned Budget Transfers. Commissioner Walker seconded. Motion carried unanimously.

Commissioner Sexton made a motion to go into Closed Session pursuant NCGS §143-318.11 (a)(6) (personnel). Commissioner Walker seconded. Motion carried unanimously.

Back in Open Session, **Commissioner Johnson made a motion to allow the County Manager immediately fill the vacancy of the Finance Officer effective July 1, 2016. Commissioner Manning seconded. Motion carried unanimously.**

Commissioner Walker made a motion to amend the County's pay grade table as follows: Assistant County Manager/Attorney Grade 44, Finance Officer to grade 40, IT Director from grade 16 - 19 . Commissioner Sexton seconded. Motion carried 4-1 with Commissioner Manning voting nay.

Commissioner Sexton made a motion to approve the list of step increases as presented in the list below. Commissioner Walker seconded. Motion carried 4-1 with Commissioner Manning voting nay.

Washington County
SALARY DISCUSSIONS

Dept Id	Dept Descrpt	First Name, Middle Initial	Last Name, Suffix	Grade II	Step 1d	Base Salary	PROPOSED UPDATED PAYABLE PLACEMENT		Increase										
							Grade II	Step 1d											
MANAGERS OFFICE	JULIE CHIFFES S	22	39	42,310.00	11	45,570.00	22	39	3,260.00										
MANAGERS OFFICE	CAATHERINE DIXON	18	14	42,589.00	41	67,564.31	18	14	5,765.44										
BOARD OF ELECTRONICS	DOUGLA BELL	16	4	31,164.00	16	31,922.00	16	4	758.00										
INFORMATION TECHNOLOGY	DAVID E B FRIS	16	15	44,870.00	15	44,970.00	16	15	4,100.00										
FACILITY SERVICES	JAMES W SANDERS	10	4	27,490.00	10	28,132.00	10	4	642.00										
FACILITY SERVICES	KEVIN M GREEN	10	6	26,170.00	10	26,800.00	10	6	630.00										
FACILITY SERVICES	MARTHA A CARTER	5	1	18,267.00	5	18,715.00	5	1	448.00										
DETENTION CENTER	ELIYNA MOORE	12	5	27,057.00	12	28,370.00	12	5	1,313.00										
DETENTION CENTER	MARY SWAN	12	1	25,044.00	12	25,704.00	12	1	660.00										
DETENTION CENTER	DEBORSHA COLLINS	12	1	29,944.00	12	30,700.00	12	1	756.00										
DETENTION CENTER	TAMARA M MORGAN	12	1	25,164.00	12	26,330.00	12	1	1,166.00										
TRAINING & SAFETY	ANDY J DAVIS	17	11	37,077.00	17	39,270.00	17	11	2,193.00										
TRAINING & SAFETY	CHRISTIE BARRETT	17	1	34,444.00	17	34,444.00	17	1	0.00										
REGISTER OF DEEDS	LINDA C ALLEGROD	11	7	27,944.00	11	28,600.00	11	7	656.00										
TAX ADMIN	HENRIEL JONES	10	3	24,345.00	10	24,960.00	10	3	615.00										
TAX ADMIN	BARLENE M HARREWIN	18	1	34,870.00	18	35,600.00	18	1	730.00										
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401 K	31.59																		
TOTAL COST	5,815.80																		

Mr. Carawan told the Board that with the approved salary increases, the tax rate increase is over 5 cent.

Chair Phelps made a motion to take 3 cent from the fund balance to make it a 2 cent tax increase. Commissioner Sexton seconded. Motion carried 4-1 with Commissioner Manning voting nay.

Mr. Carawan said the proposed tax increase is 2 cent and the fund balance appropriation taken from the Fund Balance including the 3 cent tax reduction is \$518,106.

Commissioner Johnson made a motion that all employees currently employed will maintain their benefits as they are; effective July 2, all new hires will receive employee only benefits and 1% 401K from the County. Commissioner Manning seconded. Motion carried 4-1 with Chair Phelps voting nay.

Commissioner Manning made a motion to allow the County Manager to approve all year-end budget amendments and transfers on June 30. Commissioner Johnson seconded. Motion carried unanimously.

Commissioner Sexton made a motion to approve the budget as presented tonight for 2016-2017. Commissioner Walker seconded. Mr. Carawan reiterated this includes a 2 cent tax increase, and appropriates \$518,106 in fund balance, of which he is not in favor of. Chair Phelps said that the Board is going against the advice of the County Manager as the Budget Officer/Finance Officer. **Motion carried 4-1 with Commissioner Manning voting nay.**

At 8:42 PM with no further business to discuss, **Commissioner Walker made a motion adjourn to July 5 at 6:00 PM in the Commissioners' Room. Commissioner Manning seconded, motion carried unanimously.**

D. Cole Phelps
Chair

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