

Windsor, North Carolina
June 20, 2016
Regular Meeting

The Bertie County Board of Commissioners convened for its regular meeting at 5:00PM inside the Commissioners Room located at 106 Dundee Street, Windsor, NC 27983. The following members were present or absent:

Present: Stewart White, District II
Tammy A. Lee, District III
John Trent, District IV
Ernestine (Byrd) Bazemore, District V

Absent: Ronald "Ron" Wesson, District I

Staff Present: County Manager Scott Sauer
Clerk to the Board Sarah S. Tinkham
Assistant County Attorney Jonathan Huddleston
Finance Officer William Roberson
Sheriff John Holley
EMS Division Chief Crystal Freeman
Emergency Services Director Mitch Cooper
Compliance Officer Stephanie Wiggins
Cooperative Extension Admin Assistant Sheila Powell
Deputy Tax Collector Jennifer Byrum
Tax Clerk Marsha Mosley-White
Register of Deeds Annie Wilson
Water Superintendent Ricky Spivey

Gene Motley of the Roanoke-Chowan News Herald and Leslie Beachboard of the Bertie Ledger-Advance were present from the media.

CALL TO ORDER

Chairman Trent called the meeting to order, and thanked those present for their attendance.

INVOCATION/PLEDGE OF ALLEGIANCE

Vice Chairman Bazemore led the Invocation and Pledge of Allegiance.

At this time, Chairman Trent asked for John Erik Taylor, Jr. to come forward and be recognized for his many accomplishments during his high school JROTC career. Most notably, Mr. Taylor was accepted into the United States Military Academy (West Point).

Mr. Taylor was presented with a commemorative coin as well as participated in a photo opportunity with the Board of Commissioners for the local media.

The Board congratulated him, as well as his mentors, on his accomplishments, and wished him the best of luck at West Point in the fall.

Lastly, DSS Board Chair, Shirley Taylor, and DSS Board member Curt Kedley, were present to introduce the new Bertie County DSS Director, Ms. Cindy Perry. Ms. Perry has been working with Bertie County DSS for over 20 years, and stated that she was looking forward to continuing to serve in this new capacity.

PUBLIC COMMENTS

Billy Smithwick came forward to present his concerns as a spokesperson for all 12 Bertie County fire chiefs. He felt that it was time for the Board to consider providing additional funding to the local fire departments as an increase in funding had not been made in several years. He stated that lowering the tax rate would be “morally wrong” considering the amount of fire departments that are currently in need throughout the County.

Ruth Davidson of Bertie County DSS presented her concerns about the proposed changes to current employee retiree health care benefits. She stated that she had been employed at DSS for 8 and a half years and requested that the Board only cut off retiree healthcare benefits to individuals hired after July 1, 2016.

Marsha Mosely-White echoed Ms. Davidson’s sentiments, and did not think cuts should be made to current employee healthcare benefits.

There were no other public comments during this section.

APPOINTMENTS

Public Hearing # 1 – 2012 CDBG Infrastructure program close out

Chairman Trent introduced Mike Barnette of McDavid and Associates. He then opened the public hearing for public comments regarding the 2012 CDBG Infrastructure program close out.

No public comments were given during this time, and Chairman Trent closed the public hearing.

Public Hearing # 2 – Proposed FY2016-2017 Budget

County Manager Sauer stated that after two budget work sessions, some changes have been made to the original proposed budget. The changes and revisions that were communicated are outlined in the following message:

FY 2016-2017 Final Budget

The final budget for FY 2016-2017 increases the contribution for 401(k) supplemental retirement to 2.5% beginning July 1, 2016 for all non-law enforcement personnel and continues the provision of a \$200 contribution per employee for the flexible spending account to assist with the cost of meeting deductibles and prescription copayments.

During the current fiscal year, the Board engaged a consulting firm to review the County's job classification and compensation for all positions within the organization. This study and its recommendations will be presented in the next thirty days. Implementation of these recommendations in the next fiscal year, or phased in over a period of years will represent a significant investment in the County's human resources and extend our ability to recruit and retain qualified staff. **I would recommend strongly that the Board consider placing priority on two areas where the County has struggled with position turnover during the past several years—law enforcement and social services.** To assist the Board with identifying funds to cover the cost of this implementation process, projected sales tax receipts have been held flat with no increase for FY 2016-2017. Notable in this discussion will be the anticipated expansion of sales tax and the revised distribution formula approved by the NC General Assembly to be effective beginning next fiscal year. Impact for Bertie County has ranged from an increase of \$500,000 per year to figures much higher. The Board has the flexibility to proceed cautiously, to examine the sales tax receipts in the first quarter or first half of the year, and place priority on salary adjustments that may warrant immediate attention as needed.

School current expense funding is recommended at \$3,003,000 and is above the State's minimum requirement of \$2,674,812 which maintains the County's eligibility for low wealth supplemental funding and other critical State revenues.

School capital outlay funding is recommended at \$375,000 which is an increase of \$110,000 over the current year.

Retiree Health Insurance

During the past couple of years, the governing body closely examined the County’s ability to provide health insurance coverage for existing staff and qualifying retirees. In January of 2016, the Board took action approving the County’s participation in the NC State Health Insurance program, a decision that greatly reduced annual premiums and lowered deductible limits. Future obligations for existing staff and the accompanying retiree health insurance remain a long term unfunded liability. **Health insurance premium costs for the County’s existing retirees are budgeted at \$350,000 for next fiscal year.**

The proposed budget for FY 2016-2017 includes utilization of the County’s savings generated by its participation in the state health plan to establish a financing plan for the long term **post-employment health care costs for retirees**. This **accrued unfunded liability** has grown significantly in recent years as indicated by the County’s audited financial statements :

FY 2012	\$2,386,998
FY 2013	\$2,963,144
FY 2014	\$3,385,713
FY 2015	\$3,849,010

One of the Board’s top financial priorities for 2016 is to adopt a strategy to address this long term liability, and the final FY 2016-2017 budget includes a funding strategy based on depositing \$100 per month per authorized position in **an irrevocable trust fund account, with these monies permanently restricted for post-employment health insurance costs for retirees. Funding is included in the Special Appropriations category, identified as “OPEB Trust” for this purpose in the amount of \$242,400 for FY 2016-2017.**

Additionally, the proposed budget plan outlined a strategy to curtail future post-employment benefit costs related to retiree health insurance. At present, the County’s benefit plan provides 100% of the premium cost for retiree health insurance for an employee retiring with 20 years continuous service, or 25 years non-continuous service to the County regardless of age. Coverage continues until the employee/retiree becomes Medicare eligible, at which time the County converts coverage to a Medicare Supplement policy. Likewise the County pays 50% of the cost of health insurance premiums for an employee who is at least 55 years of age and retiring with 15 years of continuous service under the current personnel resolution.

In an effort to mitigate the growing burden for retiree health insurance costs facing current and future taxpayers, several adjustments to the County's personnel resolution were reviewed and considered as outlined below:

- 1) **New hires—after July 1, 2016 no retiree health insurance coverage is offered (included in the FY 2016-2017 budget ordinance).**
- 2) Current employees with at least 10 years of service as of July 1, 2016 will maintain full (100%) health insurance coverage at 20 years of continuous service or 25 years of non-continuous service regardless of age.
- 3) Employees with at least 5 years of service, but less than 10 years as of July 1, 2016 will be eligible for retiree health insurance as follows:
 - 100% coverage of health insurance premium with 30 years of service to the County.
 - 75% coverage of health insurance premium with 25 years of service to the County.
 - 50% coverage of health insurance premium with 20 years of service to the County.
- 4) Current employees with less than 5 years of service as of July 1, 2016 will be eligible for retiree health insurance as follows:
 - 75% coverage of health insurance premium with 30 years of service to the County.
 - 50% coverage of health insurance premium with 25 years of service to the County.
- 5) Service time credit with the County will be calculated based on actual service time and any sick leave time that is on balance with the County at the time of retirement, which is consistent with current County policy.

*** **Items #2, #3, #4, and #5 have been deferred pending further review and analysis, including an updated actuarial study.**

At present, the County has 209 authorized full time positions. Last year's adoption of the FY 2015-2016 budget added 8 new positions, and the start-up of the County's paramedic and non-emergency transport programs have added a total of 46 new staff positions since the program's inception in December 2013. Projecting forward, the County's staffing and future obligations for post-employment benefits (retiree health insurance) will require the governing body to be proactive in its financial planning to meet these liabilities, which are presently unfunded.

In very simple terms, Bertie County taxpayers have an existing financial liability of \$15,035 for each employee and retiree, which continues to grow, and has been unfunded until the Board's action this year to begin setting up this irrevocable trust account.

Other priorities funded in this budget include full year implementation of the core staffing plan for the Cooperative Extension office as previously approved by the Board, in cooperation with NC State University. There is continued support for the Board's community based recreation efforts utilizing resources allocated through the Recreation Department and the YMCA to serve joint programming and services throughout the County. As these efforts continue to grow, it is recommended that a joint memorandum of understanding be developed to clearly identify roles and responsibilities for the community based recreation programming.

Continued emphasis on preventive maintenance and upkeep for various County facilities and infrastructure is reflected in the Public Buildings budget with an approved amount of \$255,851 for capital improvements, of which **\$119,000 is committed for the next phase of Courthouse improvements**. Several items have been deferred including parking lot paving at various locations, which reduced the requested capital figure of \$339,301 for next fiscal year. In addition, **\$50,000 is earmarked in the Animal Control budget for improvements to the animal shelter** including weatherization and temperature control in an effort to meet state regulatory standards set by the NC Department of Agriculture. Also, the County recently formalized its relationship with the Blue Jay Recreation community association with a long term facility lease. In addition to seeking grants for Blue Jay park improvements, the final FY 2016-2017 budget includes **\$83,450 for the first phase of upgrades at the Blue Jay facility**.

Funding for the Bertie County Regional Water system totals \$2,821,400 and reflects the combined funding for all four (4) water districts and the recent increased customer base with the addition of the South Windsor, Lewiston-Woodville and Roxobel systems. The Board has also successfully sought capital financing for three major projects which have been approved with a total of \$1,574,000 in grant funding and \$4,234,900 in long term financing, of which \$2,517,850 is zero interest. The only rate adjustment is the institutional rate for the prison, with an increase of \$0.68 per 1,000 gallons. Additionally, beginning July 1, 2016 the water department personnel will begin billing for sewer customers served by the Town of Windsor who were previously part of the South Windsor community system. The Town of Windsor has agreed to reimburse the County a 2% collection fee which is also paid by the Towns of Lewiston-Woodville, Askewville and Colerain. Having a single point of contact for billing will eliminate confusion and save time for customers.

All adjustments approved by the Board during its work sessions have been incorporated, plus a few administrative adjustments suggested by the Finance Officer as outlined below:

- 1) General Fund revenue is increased to reflect actual EMS Medicaid Maximization reimbursement revenue for current year –an increase of approximately \$403,000 after adjusting for the 3% administrative fee.
- 2) Tax Rate is reduced one cent to \$0.83 per \$100 assessed value with a corresponding tax levy cut of approximately \$125,000.
- 3) Visions for View funded in the amount of \$10,000.

- 4) Better Beginnings for Bertie Children funded in the amount of \$52,540.
- 5) The two non-profits were funded in the special appropriations using the contingency line item, which leave a balance of \$62,584.
- 6) CADA's rent and utility payments are waived effective July 1, 2016 in lieu of an additional appropriation and the corresponding revenue item was reduced to reflect this adjustment of approximately \$12,000.
- 7) There are no new full time positions added to the budget for FY 2016-2017, and the only additional part-time position is for the senior nutrition site in Kelford. The Board approved raising the hourly wage for election day workers from \$7.25 to \$10.00 an hour; increasing the County Attorney's hourly rate by \$50 an hour to \$250 but the assistant County's rate will remain at \$200 per hour; combining the 2016 (\$2,500) and 2017 (\$2,500) salary adjustments for the Sheriff effective July 1st, 2016; and directed management to plan for full time staffing in the Veterans Service Office effective January 1, 2017.
- 8) Courthouse repairs are reflected on a separate line item for the Public Buildings budget in the amount of \$119,000.
- 9) The Finance Officer has made adjustments to grant-funded programs to reflect revised figures for Cooperative Extension, JCPC and Soil and Water (aquatic weed control). \$7,000 was increased for building inspector training & travel based on a revised schedule of courses for next fiscal year.
- 10) Appropriated Fund Balance in final FY 2016-2017 budget is \$248,505 less than the budgeted fund balance in the FY 2015-2016 budget ordinance.

In response to a Commissioner question during the budget work sessions, the **Water Department's fund balance** is projected to increase \$318,000 based on anticipated revenues and expenditures for the current year. FY 2015-2016 fund balance (cash on hand) at July 1, 2015 was \$2,343,554 and with the projected increase of \$318,000 is a total of approximately **\$2,661,554 before transfers approved by the Board as follows:**

Less \$26,000 local match for Water District II	NCDEQ project ordinance transfer
Less \$33,000 local match for Water District IV	NCDEQ project ordinance transfer
Less \$264,000 local match for Water District III	USDA RD project ordinance transfer
Less <u>\$855,000</u> transfer to General Fund as WDII loan repayment for land acquisition TGOW	

\$ 1,483,554 estimated Water Department fund balance at June 30, 2016.

General Fund – fund balance reserves:

The General fund is the chief operating fund of Bertie County. At the end of the last fiscal year, Bertie County's fund balance available in the General Fund was \$5,871,534, while total fund balance reached \$7,469,893. The Governing Body of Bertie County has determined that the County should maintain an available fund balance of 10% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. At June 30, 2015, the County had an available fund balance of 25.93% of general fund expenditures, while total fund balance represents 32.98% of that same amount.

The current year FY 2015-2016 General Fund balance reserve is estimated to have an available fund balance of 24.05% of general fund expenditures at June 30 2016, while total fund balance represents 29.56% of that same amount.

Next Steps

The Board's work continues in the coming weeks and months as it prepares to review the compensation study recommendations, examines actuarial analysis of long term costs for retiree health insurance coverage, and explores funding options to improve support for volunteer fire departments.

Afterward, Commissioner Lee assured those present from their respective fire departments that even with the tax decrease, additional funding is available for local fire departments, and that it will be discussed further at an upcoming work session.

Commissioner White also discussed the various needs he received from the fire departments had a recent meeting which included safety and breathing gear, as well as additional funds to cover insurance. He thanked the emergency personnel present for the work they do every day for this County.

Chairman Trent asked for additional public comments, after hearing none, he closed the public hearing and he then called for a motion to approve the newly proposed version of the FY2016-2017 Budget Ordinance.

Commissioner Lee made a **MOTION** to approve the newly proposed version of the FY2016-2017 Budget Ordinance with a tax rate of 83 cents. Commissioner Bazemore **SECONDED** the motion. The **MOTION PASSED** unanimously.

Discuss funding request by Ms. Patricia Ferguson for a showing of “Raising Bertie” film at Bertie High School Convocation

Due to an unforeseen scheduling conflict, Ms. Patricia Ferguson was unable to attend tonight’s meeting, and requested to defer this item until a later date.

Follow-up presentation by Dr. Kashi B. Hall, Executive Director of Heritage Collegiate Leadership Academy (HCLA)

Dr. Kashi B. Hall, Executive Director of HCLA, came before the Board to make another request for funding for various HCLA projects. She stated that she did not agree with the “assumption” and analysis provided by the County Attorney regarding the Sugar Creek vs. the State of North Carolina case.

She asserted that the Board of Commissioners did have the power and ability to treat HCLA as a traditional 501(c)(3) organization, and that funding could be given in the same manner under the Special Appropriations category especially as it relates to “programmatic funding.”

The Board came to a consensus to have Dr. Hall meet with the County legal team and the County Manager to further discuss this matter.

BOARD APPOINTMENTS

There were no Board Appointments.

CONSENT AGENDA

Upon review by Chairman Trent, Vice Chairman Bazemore made a **MOTION** to approve the Consent Agenda in its entirety as presented. Commissioner White **SECONDED** the motion. The **MOTION PASSED** unanimously.

The Consent Agenda was approved as follows:

1. **Tax Release Journal** – unavailable for tonight’s meeting, item not approved.
2. **Minutes** – Emergency Session 6-2-16, Closed Session 6-2-16, Budget Work Sessions 6-6-16 and 6-7-16, Regular Session 6-6-16
3. **Budget Ordinance** – FY2016-2017, item already approved during Appointments section.
4. **Budget Amendment** – #16-13

DISCUSSION AGENDA

First draft presentation of Road Safety and Maintenance Ordinance

County Manager Sauer stated that this item was an FYI only, and a first attempt at a Road Safety and Maintenance Ordinance. Further discussion will be conducted at a later date.

Discuss letter from NCDPS dated May 31, 2016 – Flood Plain Management program – Corrective Action Plan extension

Additionally, County Manager Sauer reported that a detail report of the NCDPS Flood Plain inspections was on the way, and a letter requesting an extension to correct the needed items was also in the works.

Calendar reminders and proposed meeting schedule changes

After some discussion, the Board decided to make some cancelations and additions to their meeting schedule.

The Board will still meet for its regular meeting on July 5th in this location.

Sometime between July 12th and 14th, the Board will meet for a work session to hear the final report regarding the recent pay study.

The Board decided to cancel their July 18th meeting in Roxobel due to scheduling conflicts.

Additional schedule changes will be proposed on the Board's regular meeting on August 1st here in this location.

COMMISSIONER'S REPORTS

Commissioner Lee thanked the employees present who chose to speak out about the proposed employee retiree healthcare benefit changes.

Commissioner White encouraged the Board “to take a long look” at the volunteer fire departments, and work to provide additional funding for each. He also requested that a work session be scheduled to discuss the County’s fund balance with Davenport & Associates. Lastly, he requested that the Clerk to the Board record a “nay” vote for him regarding the recent decision made to funding Better Beginnings for Bertie’s Children.

Chairman Trent had no reports at this time.

Vice Chairman Bazemore reminded the Board that there would be an NC Competes for Jobs event on July 22nd in Williamston. Also, she announced that the Blue Jay Fire Department has invited the Commissioners to serve as cooking judges on August 20th at a local community event.

COUNTY MANAGER'S REPORTS

The County Manager gave no reports at this time.

COUNTY ATTORNEY'S REPORTS

The County Attorney gave no remarks at this time.

PUBLIC COMMENTS

There were no public comments as only County staff were present at this time.

ADJOURN

Chairman Trent the meeting at 8:10PM.

John Trent, Chairman

Sarah S. Tinkham, Clerk to the Board