

**Windsor, North Carolina**  
**June 4, 2018**  
**BUDGET WORK SESSION**

The Bertie County Board of Commissioners met for their regular meeting today inside the Commissioners Room, 106 Dundee Street, Windsor, NC. The following members were present or absent:

Present: Ronald “Ron” Wesson, District I  
Tammy A. Lee, District III  
John Trent, District IV  
Ernestine (Byrd) Bazemore, District V

Absent: Stewart White, District II

Staff Present: County Manager Scott Sauer  
Clerk to the Board Sarah Tinkham  
Finance Officer William Roberson  
ICMA/NCACC Management Fellow Dominique Walker

**BUDGET WORK SESSION**

Board Chair Bazemore reconvened the meeting from June 4<sup>th</sup> at 9:00 a.m. on Tuesday June 5<sup>th</sup> in the Commissioners meeting room.

County Manager Scott Sauer reminded the Board that the proposed FY 2018-2019 budget plan remains a “work in progress.” The budget proposal totals \$24.9 million and is an increase of 4.2 percent over last year’s approved budget ordinance. To balance the FY 2018-2019 budget proposal will require a five-cent tax increase as presented on June 4<sup>th</sup>, and there are many issues to be discussed and resolved before the budget can be finalized explained Mr. Sauer.

The County Manager distributed handouts related to a sample of unidentified properties and the incremental impact for each additional one cent on the tax rate in terms of the amount of the potential tax increase for each property. He also distributed a worksheet related to revenue and expenditures summarizing the operations for the ambulance budgets both EMS-Paramedic and Non-Emergency Transport for the past several fiscal years plus the forecast for FY 2018-2019. The Board also received a copy of the statement of monthly health insurance premiums for the retirees participating in the County’s post-employment benefits program. A historical tracking sheet for appropriated fund balance budgeted each year dating back to FY 2009-2010 was provided, including a measure of General Fund balance performance during this period,

noting that for the fiscal year ended June 30, 2017 the fund balance increased by \$347,053 as reported in the most recent audit.

Board Chair Ernestine Bazemore began the meeting asking each Commissioner to share their perspective on the budget proposal. Commissioner Tammy Lee shared that a tax rate increase this year is not going to happen.

Vice Chairman Ron Wesson suggested taking the proposed budget line by line and examining all of the County Manager's budget estimates. Commissioner John Trent echoed those sentiments and said he was ready to start with the revenue projections in the proposed budget.

One penny on the tax rate yields \$126,548 so the initial target for cuts was \$632,740 as announced by the Vice Chairman. At the close of Monday night's meeting Vice Chairman Wesson made a request of the Finance Director William Roberson, to run a five-year historical report of actual expenditures for each department. Mr. Roberson distributed the report at the start of the early morning session.

The Commissioners reviewed twelve pages of revenue line items, and quizzed the County Manager and Finance Director regarding sales tax estimates, excise taxes, restricted & intergovernmental funds, permits and service fees to start their review process. This discussion led to a lengthy examination of the County's ambulance service both EMS Paramedic and the Non-Emergency Transport programs.

The County Manager referred to the handout detailing ambulance operations since October 2013, tracking each fiscal year both revenue and expenditures, plus the proposed budget for FY 2018-2019. Mr. Sauer also noted the number of trips per year for Non-Emergency Transport which were identified on the handout, noting that in FY15 the number of trips was 460, and the number of trips for the current year FY18 is 4,244. Mr. Sauer highlighted the fact that the current performance level (4,244 trips per year) for Non-Emergency Transport may be leveling off, until such time that the service can obtain franchises for transport service in other counties. He also indicated that the long term financial position of the County's ambulance service would be improved if the EMS Paramedic program could contract to cover an additional jurisdiction such as Martin County which does not operate at the paramedic level. Vice Chairman suggested that Washington County may be a possibility for paramedic service in the future as well.

Mr. Sauer explained that EMS Medicaid reimbursements have been very challenging to predict, yet the County received \$401,248 in FY16, \$205,074 in FY17 and \$385,000 in FY18. No estimate for this revenue was incorporated in the proposed budget for FY19, and after deliberating about the confidence in Medicaid estimates, the Board agreed to budget \$400,000 in EMS Medicaid reimbursements for FY19. Mr. Sauer reminded the Board that in FY17 the County budgeted \$400,000 for Medicaid reimbursements, and in that year the State withheld the distribution to allow counties and the resulting revenue was approximately 48% less than budgeted for Bertie County. Mr. Sauer explained that it was important to have this discussion with the Board and for everyone to understand the underlying premise for including Medicaid reimbursements as a budgeted revenue to support annual operations, both EMS Paramedic and Non-Emergency Transport.

The Commissioners then turned their attention to departmental expenditure trends for each department, making adjustments line by line, reaching a total of \$651,324 in cuts, including the \$400,000 in EMS Medicaid reimbursement.

Board Chair Bazemore reminded the Commissioners that on the previous meeting's agenda, the President of the Bertie County Fire Association Mr. Jody Sarey made a request for funding to provide "gap insurance" policy coverage for our volunteer firefighters in the amount of \$10,500 for the next fiscal year. It was the consensus of the Board to include this amount for the new budget for FY19. By consensus, the Board reduced the line item for the contract medical director service by \$9,000; reduced the funding recommendation for CADA by \$7,800 and removed the \$5,000 appropriation for the Pound the Sound triathlon program.

Commissioner Lee noted that there was much more work to accomplish if there was any chance of providing an across the board increase for county employees, so the budget review continued. Vice Chairman Wesson inquired about the cost for each one percent of salary and related benefits. Mr. Roberson reported that the estimated net cost to the county is \$73,000 per one percent increase.

The Board worked until after 3:00 p.m. making additional adjustments, mostly reductions in operating expenses and adjusting for position turnover in public safety programs (both EMS and law enforcement) until a figure of \$786,124 was achieved. Mr. Roberson reminded the Board that the State has recently provided additional grant funding for the Council of Aging, and there will need to be corresponding adjustments in the final budget before it is approved by the Board.

Ultimately, the Board approved a motion by unanimous vote directing the County Manager and Finance Officer to prepare a budget ordinance for consideration which incorporates all of today's cuts and adjustments—insuring that the tax rate for Bertie County remains unchanged at 83 cents.

Board Chair Ernestine thanked all of the Commissioners and staff for their efforts in reaching a final budget, with no tax increase and a two percent across the board increase for employees.

Vice Chairman Wesson made a **MOTION** to include all amendments and clarifications as discussed today during the budget deliberations regarding the proposed FY2018-2019 budget message and new budget ordinance including a 2% across the board increase for County staff. Commissioner Lee **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Trent made a **MOTION** to move forward with a letter of intent for the County to acquire the Lancaster property for a joint library and cooperative extension facility, to purchase with contingencies, and for the architectural firm to proceed with the site revaluation and survey of the property. Commissioner Lee **SECONDED** the motion. The **MOTION PASSED** unanimously.

A public hearing on the proposed budget as revised by the Board of Commissioners will be conducted on Monday June 11<sup>th</sup> at 7:00 p.m.

**ADJOURN**

Chair Bazemore **ADJOURNED** the meeting at 3:00 PM.

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Ernestine Bazemore, Chair

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Sarah S. Tinkham, Clerk to the Board