

Meeting of the Johnston County Board of Commissioners

June 9, 2005 *Special - Budget Work Session*

The Johnston County Board of Commissioners met in special session Thursday, June 9, 2005, at 7:00 p.m. in the Commissioners' Meeting Room, Johnston County Courthouse Annex, Smithfield, North Carolina. The following members were present:

Present: Cookie Pope, Chairman, Wade M. Stewart, Vice Chairman, Allen L. Mims, Jr., Jeffrey P. Carver, W. Ray Woodall, DeVan Barbour and Tony Braswell.

Absent: None

Also Present: Rick J. Hester, County Manager, April N. Byrd, Clerk to the Board, John R. Massey, Finance Officer, J. Mark Payne, County Attorney and Deva C. Holt, Deputy Clerk.

The Chairman called the meeting to order and announced the purpose of the meeting is to hear from the public on the proposed 2005-06 County budget.

1. Public Library of Johnston County

James Narron, member of the Library Board of Trustees, addressed the Board and requested their assistance with funding for the Public Library of Johnston County and the Town of Smithfield for the upcoming fiscal year. He emphasized the library's recent expansion from 18,000 to 34,000 square feet, which has heightened safety and security issues. He also noted the increasingly expensive gas bill, for which the library is responsible.

Margaret Marshall, Library Director, informed the Board that the Library was successful in receiving a LSTA grant in the amount of \$100,000 that will be used for a new automated system. In regards to the gas bill, she stated the proposed appropriations are \$29,000 short of the total needed to cover this expense.

County Manager Rick Hester noted in the past the County has paid the entire gas bill from the General Fund - Buildings & Grounds, and, in his opinion, in the future, this should be considered a part of the County's appropriation to the library. He noted the library's local dollar appropriations are on a 60/40 split with the Town of Smithfield, and that he had spoken with Pete Connet, Smithfield Town Manager, regarding arrangements to split the gas bill on a 60/40 basis for the upcoming fiscal year. Mr. Hester recommended the Board shift the budgeted funds from the General Fund - Buildings & Grounds to the library appropriation to cover this expense.

In response to questions from Commissioners, Ms. Marshall stated there will be a need for one additional staff member to assist with the implementation and maintenance of the new automated system. The person would be responsible for the County/Smithfield library as well as six other libraries throughout the County. The grant only covers the initial cost of the system, not the ongoing costs, such as personnel.

2. Johnston County Board of Education

Fred Bartholomew, Chairman of the Board of Education, thanked the Board for their continued commitment to education. He stated rising utilities expenses, teacher supplements, and legislative mandates account for majority of the increasing costs in the upcoming year's budget.

Dr. Anthony Parker, School Superintendent, provided a brief report on the Board of Education's budget request, \$41,324,876 for current expense and \$3,400,000 for capital outlay, for a total request of \$44,724,876. He pointed out the current expense amount includes State determined increases in salaries, hospitalization insurance, and travel. Other current expense demands outlined were for utilities, insurance (i.e. property, vehicle, athletic, exceptional children, workers compensation and NCSBA Trust), student growth areas (i.e. student supplies, transportation, custodial supplies, teacher supplements, warehouse space and maintenance), and other miscellaneous increases. Dr. Parker noted last year \$4.4 million was budgeted from undesignated fund balance, however, only \$1.25 million is available to appropriate for fiscal year 05-06. He further noted demands for additional buses, school equipment allocations based on student growth, and maintenance for service vehicles account for the increase in the capital outlay request.

In response to questions from Commissioner Cookie Pope and Commissioner DeVan Barbour, Dr.

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Parker explained that based on the proposed Senate budget, approximately \$1 million would be cut in State funds for teacher assistant positions in Johnston County. He emphasized these would be specific reductions unlike the discretionary cuts the Board of Education has seen in the past. This could possibly eliminate approximately 60 teacher assistant positions. The proposed Senate budget would also affect teacher and administrative positions, supplies, and equipment, accounting for an additional \$2.2 million in cuts to Johnston County. He expressed hope that the final version of the State budget would look much different than the proposed Senate's version.

Commissioner DeVan Barbour asked what the remaining amount would be in undesignated fund balance if \$1.25 million is appropriated for fiscal year 05-06.

Dr. Parker responded currently there is \$1.7 million in undesignated fund balance.

3. Fire Tax Requests

Kenly Fire Department

Paul Whitehurst, Kenly Fire Department Chief, informed the Board that Kenly is a combination fire department, covering 36 square miles in the Town of Kenly, Johnston and Wilson Counties. The department provides fire protection, rescue services for motor vehicle accidents, and first responder services to approximately 10,500 residents. The department has a current ISO rating of 5. Rising fuel costs and increasing call volumes have affected the department's budget for 05-06. Mr. Whitehurst stated the department is requesting a ½ cent increase in the tax rate for their district, which is currently seven and ½ cents.

In response to questions from the Board regarding cash balance and capital outlay funds, Mr. Whitehurst responded the department has a pumper truck that is 22-24 years old, and would like to use a portion of the capital outlay funds to ensure the truck stays in good condition. Further, based on increasing call volumes, protective gear does not last the length of time that it has in past years. Capital outlay appropriations are needed for seven sets of gear, as well as new pagers, and hose line.

Commissioner Wade M. Stewart stressed, in his opinion, a rise in the taxes for fire districts was still a rise in taxes for taxpayers. He applauded the citizens of Johnston County for their support in the recent, successful bond referendum for the schools and community college, and expressed his opposition to raising taxes of any kind, property taxes or fire district taxes.

Smithfield Fire Department

Patrick Harris, Director of Emergency Services for the Town of Smithfield, stated the Smithfield Fire Department has strived to improve the services it provides to the community. The department has a current ISO rating of 9s for the rural portion of the district, however, Mr. Harris stated, based on a recent Department of Insurance survey, he hopes the rating will change to 5. This would be a significant savings to homeowners in the area. He noted since the Board set the current district tax of eight cents approximately 13 years ago, the department has tripled the services to include not only fire protection, but also rescue and first responder services as well. The costs associated with providing these services have substantially increased the level of expenditures required to run the department. Mr. Harris stated the department is requesting a two cent increase in the tax rate for the district, and the Smithfield Rural Fire Protection District Commission agrees with the request. The current rate for the Smithfield Rural Fire Tax District is eight cents.

In response to a question from Commissioner Allen L. Mims, Jr. regarding cash balance and anticipated capital expenditures for 05-06, Mr. Harris responded since the department is technically a municipal department it does not maintain a cash balance. The revenue generated from the rural fire taxes goes into the general fund, and is appropriated into the department's budget. The department's proposed budget for 05-06 includes an operating budget of \$881,900, and an additional \$110,000 for capital equipment, for a total budget of \$991,900, not including the EMS division. He noted the rural fire tax generates 9.1% of the budget, however, the citizens in the rural part of the district demand 20% of the services provided by the department. Several large expenditures are anticipated for the upcoming year including replacement of 15 self-contained breathing apparatuses, estimated at \$60,000, and refurbishing a brush truck into a rescue vehicle, estimated at \$50,000. Mr. Harris emphasized, similar to other departments, call volumes have increased, and the costs of fuel, and supplies has increased as well.

Commissioner Stewart questioned whether the total valuation of motor vehicles and property in the municipal portion of the district versus the rural portion should influence the fire district rates for the respective

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portions. He requested the County Manager to gather the information, and report back to the Board on the matter before the June 15th budget work session.

Commissioner Mims agreed there may be a difference in the calls with the municipal district versus the rural district.

Mr. Harris stated, unfortunately, in his opinion, the call cost is the same regardless of whether the department provides service with the Town of Smithfield or the rural portion of the district.

Mark Lane, Smithfield Fireman and Fire Protection District Commission member, reported the Commission voted unanimously to raise the district tax by two cents.

Pine Level Fire Department

Phil McDaniel, Pine Level Fire Department Chief, requested the Board maintain the current six cents fire district tax rate imposed approximately thirteen years ago. The Pine Level Rural Fire Protection District Commission has requested the Board lower the rate to five and ½ cents. Mr. McDaniel stressed the department has experienced a burst in growth in the area over the past several years, and call volume has doubled. The decrease from six cents to five and ½ cents would cut the department's revenues by approximately \$18,000. The department's current ISO rating is an 8, with an anticipated re-evaluation in January/February 2006. Pine Level is one of the 15 first responder units in the county.

Commissioner Tony Braswell questioned the Town of Pine Level's position on the issue, and inquired about a piece of equipment the department may be purchasing soon.

Mr. McDaniel noted the Pine Level Town Council is waiting on the Commissioners' response to the request before setting the municipal rate. He further noted the department has received a 50/50 grant from the Department of Insurance to assist in the purchase of extrication equipment to expand rescue services.

Bentonville Fire Department

Dale Person, Bentonville Fire Department, asked for the Board's consideration of a one cent increase in the fire district tax, from the current four cents, for the Bentonville district. He noted when the property tax values increased for the area, the fire tax district decreased by two cents. The department would like to increase the fire district tax rate so that the revenues received from district taxes covers expenditures.

In response to a question from Commissioner Mims regarding cash balance on hand, Mr. Person stated one of the department's utility trucks is close to thirty years old, and they have applied for a Homeland Security grant to assist in replacing the truck. Currently, the department only has two pumper trucks, and wishes to purchase an additional pumper truck. He noted the department is trying to obtain additional equipment to assist the new EMS station at Overshot. Furthermore, the department also wishes to purchase additional land to add onto the station. Mr. Person pointed out they have been trying to maintain enough funds in cash balance to avoid a large loan to finance future capital outlay expenditures.

In response to a question from Commissioner Stewart, Mr. Person replied, in his opinion, the Bentonville Fire Department does not have the manpower necessary to run a first responder unit. However, the department is currently trying to provide rescue services, and recently purchased extrication equipment.

Meadow Fire Department

Randy Parker, Meadow Fire Department Chief, requested the Board consider increasing the fire district tax from the current five cents to six cents for the Meadow district. He noted two years ago the district's fire tax rate dropped from six cents to five cents. He stated the department needs, at a minimum, one new truck to replace trucks that are 20-25 years old, and also needs an addition to the 50 year old fire station.

In response to a question from Commissioner Cookie Pope regarding the location of an addition, Mr. Parker responded the department is uncertain where the addition would be built, since the current building is extremely close to the property line.

In response to a question from Commissioner Stewart regarding the amount of cash balance on hand, Mr. Parker pointed out a large portion of the cash balance is from fundraisers held in the community. He stressed the department has not been able to depend on revenues generated from the fire district taxes alone.

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4. Basic Needs Ministry

Ron Still, Director of Basic Needs Ministry, informed the Board he operates a clothing ministry in the Cleveland area. The organization provides clothes to both children and adults living in poverty. He stressed the need for similar services in other parts of the county, outside of the Cleveland area. He requested the Board consider a \$20,000 appropriation to the organization to assist with rent relief and informational mailings for the 05-06 year.

5. Council on Aging

Donna Creech, Council on Aging Executive Director, thanked the Board for their recent support in the purchase of a new office building for the organization. She reminded the Board the Council on Aging has never been able to meet 100% of the service needs in the county, and noted the waiting lists for some services the organization provides. She mentioned several initiatives staff have been utilizing to combat this problem including encouraging clients and families to give more when possible, participating in fundraisers, researching grant opportunities, and looking at ways to work more efficiently. Also, JCATS buses have been used for advertising to generate a source of revenue. The organization will be using reserves for renovations and one time expenses in the upcoming year. She requested the Board remember the Council on Aging when making its final appropriations for the 05-06 fiscal year.

In response to a question from Commissioner Wade M. Stewart regarding JCATS appropriations, Ms. Creech stated JCATS will only be purchasing one additional vehicle for the upcoming year.

6. Re-Entry - HALT Program

Dot Ehlers, Executive Director of the 11th Judicial District Re-Entry Program, reiterated the request made at the June 6, 2005 Board of Commissioners meeting for a \$100,000 appropriation to the HALT Program. She stressed funding from the Governor's Crime Commission ends in September.

In response to a question from Commissioner Tony Braswell, Ms. Ehlers stated a similar request has been made to the Harnett County Board of Commissioners in the amount of \$50,000. She pointed out that Harnett County has been providing free office space for the program since 1998.

7. Johnston County Health Department

Dr. Leonard Woodall, director of the Health Department requested the Board consider funding for two positions for the Women, Infants, and Children (WIC) program. The positions would be 100% Federally funded. The additional two positions would allow the program to serve 30 more clients per week.

In response to comments from the Board, County Manager Rick Hester recommended if the Board chose to approve the two positions there would be a stipulation that if the Federal funding ends, the positions would be eliminated.

8. Board Reports and Comments

- County Manager Rick Hester noted the Research and Training Zone Advisory Committee has requested a district tax rate of eight cents.
- Commissioner Wade M. Stewart questioned the Johnston County Civil Air Patrol's request of \$6,000. Mr. Hester noted the Board has not funded the Civil Air Patrol in the past.
- Mr. Hester noted representatives from numerous non-profit groups would be present at the June 15th special budget meeting to explain their requests. Commissioner Allen L. Mims, Jr. requested Mr. Hester ensure the paperwork the non-profits groups submitted verifies matching funds, as the Board has asked for in the past.

There being no further business Commissioner Jeffrey P. Carver moved the Board adjourn. Commissioner W. Ray Woodall seconded the motion, which carried by unanimous vote.

Cookie Pope, Chairman

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April N. Byrd, Clerk to the Board