

OXFORD, NORTH CAROLINA
May 9, 2016

The Members of the Honorable Board of Commissioners of Granville County, North Carolina met on Monday, May 9, 2016 at 3:30 p.m. in the Meeting Room, Granville Expo and Convention Center, 4185 US Highway 15 South, Oxford. The purpose of the meeting was to begin working on the proposed submitted budget for FY 2016-2017.

Present were:

Chairman: Zelodis Jay

Commissioners: Tony W. Cozart R. David Currin, Jr.
 Timothy Karan Ed Mims
 David T. Smith Edgar Smoak

County Manager: Michael S. Felts

News Reporters: Chris L. Harris – *Butner-Creedmoor News*
 Linda Nicholson – *Oxford Public Ledger*

MEETING CALLED TO ORDER

Chairman Zelodis Jay called the meeting to order and called on Commissioner David T. Smith for the invocation.

SERVICE EXPANSION REQUESTS

Department Heads who requested service expansions presented them to the Board. The following service expansion requests were made and Board members asked questions regarding some of the service expansions:

Department	Title	Estimated Cost
Information Technology	Email Security Enhancements	\$20,920
Human Resources	3% 401 -K Match	\$197,814
Human Resources	Emp. Recognition Program	\$2,500
Human Resources	Paycom's HR Benefits Suite	\$20,735
Human Resources	Paycom's Talent Acquisition	\$6,032
Elections	Rent 2-D Barcode Scanners	\$3,267

Elections	One-Stop Staffing	\$10,125
Elections	Hire 3 Temp workers	\$45,000
Elections	Elections Clerk Position	\$31,000
Elections	Better Communication and IT Response	\$0
Elections	Server & Standalone Internet Connections	\$10,000
Elections	Funding of Future Purchase of Voting Equipment	\$600,000
Tax	Replace Software System	\$120,200
General Services	General Services Maintenance Shop	\$90,000
Social Services	Income Maintenance Supervisor II	\$24,000
Social Services	Social Worker III -for Adult Services	\$24,495
Senior Services	Hourly Wage Inc. for Medicare Spec. Position	\$2,153
Library	Evening Security Guard	\$17,639
Cooperative Extension	UnRappin the GIFT/ He Matters	\$20,115
Development Services	Update Comprehensive Plan - Planning	\$100,000
Development Services	Inspector for Building Inspections	\$12,947
Animal Management	Convert to Full Time Admin. Position	\$19,884
Emergency Management	Un-Freeze Administration Support Position	\$27,100
Fire Services	Base Funding Adjustment	\$140,000

Environmental Programs	Roadside Litter Crews	\$0
Environmental Programs	Oxford Landfill Upgrades	\$560,000
Sheriff	Law Enforcement Center	\$1,100,000

Board members asked Sheriff Wilkins questions regarding the Law Enforcement Center and the condition of the current jail. He noted that the capacity and condition of the current jail that was built in 1969 and completed in 1970 is an issue. He explained that a significant amount of work will be needed there in order to continue operating if the location is maintained. County Manager Felts passed out a handout with statistics of the current jail. Sheriff Wilkins said that most of the safekeeping expenses will go away with a new facility, but not all. He noted that it is convenient to have his office downtown, but if a site is selected out of town he would request a satellite office in the Courthouse.

DINNER BREAK

County Manager Felts noted that members of the Board of Elections, Granville County Library Board of Trustees and Creedmoor City Commissioner Del Mims were in attendance.

At this point, Chairman Jay declared a break for dinner.

UPDATE ON FEE MANUAL

County Manager Felts noted that the Fee Manual was not included in the budget notebook, but was distributed during dinner. He said that a summary of changes were on the front page. He said there was one new fee added which is Planning Fee, Subdivision Section – Add Fee for “Legal Review of Subdivision Agreements” - \$400.00. He noted that some of the ordinance changes require legal review and this fee will cover the cost.

UPDATE ON HEALTH INSURANCE

Wendy Pennington, Human Resources Director, thanked the Board for allowing staff to work with Hill, Chesson and Woody (HCW) for the benefits renewal. HCW worked with Blue Cross Blue Shield of North Carolina (BCBS) to reduce both the admin fee and stop loss insurance premium and proposed a three year rate guarantee on the current admin fee. She said that the Health Advisory Committee met with HCW and recommended renewing with BCBS for health and dental insurance with no changes to premiums or plan offerings. She asked the Board to consider authorizing staff to complete the application and allow HCW to renew with BCBS.

BOARD APPROVED RENEWAL WITH BLUE CROSS BLUE SHIELD OF NORTH CAROLINA

Upon a motion by Commissioner R. David Currin, Jr., seconded by David T. Smith, and unanimously carried, the Board approved the Health Care Plan to renew with Blue Cross Blue Shield of North Carolina with the current plan design and the current payroll deductions.

UPDATE ON PAY AND CLASSIFICATION PLAN

Mrs. Pennington referred to page 12 of the budget book and highlighted changes to the FY 2016-2017 Pay and Classification Plan. County Manager Felts noted that position reclassifications total \$23,388 and have been included in the continuation budget.

SUMMARY OF GENERAL FUND REVENUES AND GENERAL FUND EXPENDITURES

Steve McNally, Finance Director, referred to the budget document for the summary of general fund revenues and general fund expenditures. He noted that the tax collection rate is 98.84% and is up slightly from last year and revenues are up approximately \$1M. He highlighted revenues and then reviewed the list of expenditures. Mr. McNally and County Manager Felts reviewed the other funds that are not funded with general tax dollars including the Emergency Telephone System Fund, R. H. Thornton Library Memorial Fund, Stormwater Services, Solid Waste Management – Landfill Operations – C & D and MSW landfills, and the Solid Waste Management – Convenience Centers.

REVIEW OF SERVICE EXPANSIONS CONTINUED

County Manager Felts reviewed the remaining service expansions that were not presented by Department Heads.

Schools	Capital Outlays- Category I	\$1,412,576
Schools	Capital Outlays- Category II & III	\$50,000
Schools	Current Expense	\$652,261
Schools	3% Supplement	\$1,191,602
Community College	VGCC Main Campus Current Expense	\$89,778

Community College	VGCC Main Campus -- Capital Outlay	\$10,000
Community College	VGCC South Campus Current Expense	\$74,730
District Health	Additional One-Time Capital Alloc	\$275,000
District Health	Additional Annual Operating Alloc	\$150,000
Granville Health System	EMS Supplement	\$0-(\$650,000)
Special Appropriations	Boys and Girls Club	\$20,000
Special Appropriations	Kerr Area Transportation Authority	\$8,836
Special Appropriations	Isaiah 58 Project, Inc. /Second Chance Program	\$1,200
Special Appropriations	Granville County Museum	\$10,000
Special Appropriations	Franklin-Granville-Vance Smart Start, Inc.	\$5,000
Special Appropriations	WIICA/Oak Hill Heritage House Museum and Research Library	\$5,400
Special Appropriations	Chamber of Commerce	\$3,300

County Manager Felts noted that the Budget Public Hearing is scheduled for May 16, 2016 and some had expressed that they will speak at that time.

BREAK

Chairman Jay called for a break.

BUDGET DISCUSSION AND DELIBERATION

Commissioner Currin noted that the County Manager recommended \$0 and asked for clarification on how much is available for service expansions. One penny on the tax rate = \$433,310.

County Manager Felts explained that the target for fund balance is 30-35% based on policy set by the Board. County Manager Felts suggested \$2M-\$2.5M as a reasonable figure for service expansions based on that policy. He said that the best case scenario for lottery contributions will be \$600,000 - \$700,000 and will be restricted to school debt. He said that the County only receives approximately half of the lottery proceeds that we are statutorily supposed to get and he does not anticipate any change for 2016-2017. He said the tax base increased just over 2% this year and there was an excellent collection rate. He noted that 2½ cents on the tax rate would pay debt service for a law enforcement center. He said they have been conservative on the sales tax distribution estimate. He talked about the upcoming 2018 property revaluation and noted that surrounding counties are down 12-13% on their recent revaluations. Discussion ensued about issues that affect budget numbers and benchmarks.

When asked, County Manager Felts clarified that in last year's budget, the \$650,000 for Emergency Medical Services (EMS) was approved as a recurring item. Discussion ensued about EMS.

When asked, County Manager Felts explained the possibility of a USDA loan to finance the Law Enforcement Center.

Commissioner Mims passed out a handout with an article from the New York Times entitled *Money, Race and Success: How Your School District Compares* and made comments. He then made the following comments and asked that they be put in the record:

Mr. County Manager, when was the last time that we approved a teacher supplement?

With the game on the line, what would Coach K or Coach Williams do?

Our children are failing, Granville County is not winning when it comes to education. Commissioner Cozart is trying with his Community of Solutions initiative to get local churches to help. Nearly one of every five teachers are leaving our county and the main reason is our lack of support. They must support their families we must support them.

Each year, the school system is having to hire more new teachers to staff the classrooms. This year they even brought back retired teachers. No one should expect a teacher to walk into a classroom and meet a group of twenty to 30 kids and immediately begin to get the best out of those kids. Coach K and Coach Williams can't even do that. It takes time. When the game is on the line, the coaches always, not sometimes or most of the time, they always send in the most seasoned players. Commissioners, education is not a game but our success in providing a quality education to our students is on the line. African American males for the most part are one to two grades behind in reading, Hispanics are not far behind them and white students are headed in that direction. To stop the "school house to jailhouse pipeline" we must act. Otherwise, next year could be worse thus hurting our county even more because we will not be providing the quality education that employers look for and that enable our citizens to compete. I believe we value our teachers and we find money to do other projects. Let's find the money to support our teachers.

The school system unlike years past is directing the Supplement to the teachers. Our Supplement needs to be at least at the floor of the counties who take our teachers. Granville County needs its own "Moon Shot" to improve education and showing our

teachers we value them is the first step. We cannot compete with Durham, Wake County, Orange County and definitely not Chapel Hill but who will argue that we can't do better than we are doing.

I would hope we all remember Objective 4 of the Granville County Long Range Strategic Plan. It is to reduce the County's annual turnover rate due to resignations and terminations to 6 percent or less by FY 2020. Let's commit to a similar goal for our teachers where we are experiencing a nearly 20 percent annual rate of departure. We need to be competitive regionally. We may never pay the most or have the best benefits but we can put a good team on the field. We consider ourselves part of the Research Triangle where the minimum Supplement in Durham is 12 percent. We should be near the floor of our neighboring school districts that are attracting our teachers. Wake is 17 percent, Orange County 17 percent and Chapel Hill 25 percent. We can drive down recruitment cost while increasing teacher longevity. Students benefit, parents benefit, employers benefit and our area is more attractive. We have asked the school board to make cuts and they have responded. Now let us address the most critical need. We might need books, computers and other supplies but one thing is for sure, the students will not teach themselves?

Commissioner Mims said he had a motion to make in regards to the teacher supplement and asked when the last supplement was granted.

County Manager Felts stated that the last teacher supplement he could locate was approved in FY 1999-2000 for 2% at a funding level of \$481,000.

Discussion ensued about State and Federal funding for schools, a teacher supplement and volunteerism to help teachers.

Commissioner Smoak said he believed that action needed to be taken on the EMS supplement first so the Board would know the funding it had available for service expansions. It was listed as item #35 in the budget notebook with the estimated cost at \$0 - (-\$650,000) and was approved last year in the amount of \$650,000 recurring.

Commissioner Smith said that in 2010 an agreement was made with annual reduction in funding and noted that \$4.75M had been given to Granville Health System for EMS since then.

Commissioner David T. Smith made a motion to reduce funding from \$650,000 to \$400,000 for the EMS supplement and do what they need to do to function at that level. Commissioner Ed Mims seconded the motion.

Commissioner Currin questioned if EMS could do what they need to do with the reduction in funding.

Commissioner David T. Smith amended his motion to reduce funding from \$650,000 to \$400,000 for the EMS supplement. Commissioner Tony W. Cozart seconded the motion.

Commissioner Currin mentioned rising indigent care costs at the hospital and that the Creedmoor EMS station would be closed if funding was cut. Commissioner Karan mentioned

that overall the hospital had been profitable with the subsidy and some had received bonuses. He noted that the closing of the Creedmoor EMS station affects his District.

Commissioner Mims asked if the amount of the reduction could go towards the teacher supplement.

Commissioner Smith said the savings could go to something else and did not specify where.

When Chairman Jay called on a vote to reduce funding from \$650,000 to \$400,000 for the EMS supplement it passed 6-1 as follows:

Ayes: Cozart, Jay, Karan, Mims, Smith and Smoak
Nays: Currin

The Board went through the list of service expansions included in the budget notebook for consideration.

Upon a motion by Commissioner Ed Mims, seconded by Commissioner Timothy Karan, the Board approved the service expansion amendment of \$20,920 to the County Manager's recommended budget for email security enhancements by a vote of 6-1. Commissioner R. David Currin, Jr. voted nay.

Upon a motion by Commissioner Timothy Karan, seconded by Commissioner R. David Currin, Jr., and unanimously carried, the Board approved the service expansion amendment of \$20,735 to the County Manager's recommended budget for Paycom's HR Benefits Suite to meet compliance with federal government.

Upon a motion by Commissioner David T. Smith, seconded by Commissioner Ed Mims, and unanimously carried, the Board approved the service expansion amendment of \$2,153 to the County Manager's recommended budget for an hourly wage increase for the Medicare Specialist position in Senior Services.

Upon a motion by Commissioner Ed Mims, seconded by Commissioner Tony W. Cozart, the Board approved the service expansion amendment of \$20,115 to the County Manager's recommended budget for UnRappin the GIFT/He Matters by a vote of 4-3. A roll call vote was taken.

Ayes: Commissioners Cozart, Jay, Mims and Smith
Nays: Commissioners Currin, Karan and Smoak

Upon a motion by Commissioner Edgar Smoak, seconded by Commissioner Ed Mims, and unanimously carried, the Board approved the service expansion amendment of \$12,947 to

the County Manager's recommended budget to fund an Inspector for Building Inspections in Development Services to be filled on or after January 1, 2017.

Commissioner Karan noted that space needs at the Animal Shelter supersede the request from Animal Management. Upon a motion by Commissioner Timothy Karan, seconded by Commissioner Edgar Smoak, and unanimously carried, the Board did not approve funding the service expansion amendment of \$19,884 to the County Manager's recommended budget in Animal Management to convert the part-time Administration position to a full-time position at this time.

Commissioner R. David Currin, Jr. made a motion, seconded by Commissioner Ed Mims, to approve the service expansion amendment of \$1,412,576 to the County Manager's recommended budget for Granville County Public Schools, for recurring funding for Capital Outlay – Category I. The County Manager asked for clarification as to how it would be funded and it was noted that it would be with the appropriate tax increase. The motion failed by a vote of 3 - 4. A roll call vote was taken.

Ayes: Commissioners Currin, Cozart and Mims
Nays: Jay, Karan, Smith and Smoak

Upon a motion by Commissioner R. David Currin, Jr., seconded by Commissioner Ed Mims, and unanimously carried, the Board approved the service expansion amendment of \$50,000 to the County Manager's recommended budget, for Granville County Public Schools for recurring funding for Capital Outlay – Category II and III.

Commissioner R. David Currin, Jr. made a motion, seconded by Commissioner Ed Mims, to approve the service expansion amendment of \$652,261 to the County Manager's recommended budget for Granville County Public Schools, for recurring funding for Current Expense. The motion failed by a vote of 3 - 4. A roll call vote was taken.

Ayes: Commissioners Currin, Cozart and Mims
Nays: Jay, Karan, Smith and Smoak

Commissioner R. David Currin, Jr. made a motion, seconded by Commissioner Ed Mims, to approve the service expansion amendment of \$1,191,602 to the County Manager's recommended budget for Granville County Public Schools, for recurring funding for a 3% supplement. Commissioner Cozart made comments about recruiting and retaining teachers with the addition of a supplement. When Chairman Jay called for the vote, the motion passed by a vote of 5 - 2.

Ayes: Commissioners Currin, Cozart, Jay, Mims and Smith

Nays: Commissioners Karan and Smoak

County Manager Felts explained the funding situation with the Granville-Vance District Health Department. He said that Vance County is a funding partner and they do not believe at this time that they can fund the one-time capital allocation. He noted that if the Health Department does not receive additional funding, they will exhaust their fund balance and will be back next year with no funding reserves and continuation services of approximately \$150,000-\$200,000 for current operational costs. He explained that there are state mandated services/expected services with no funding. Commissioner Mims talked about home health care issues that the Board of Health will be facing. County Manager Felts noted that Granville County already maintains the Health Department building.

Commissioner Ed Mims made a motion to increase the Solid Waste fee by \$5 per household per year to fund roadside litter crews. Commissioner Tony W. Cozart seconded the motion. Commissioner Smoak noted concerns with only property owners paying the fee and not those that rent property. The motion passed by a vote of 6 – 1. Commissioner R. David Currin, Jr. voted nay.

Commissioner Edgar Smoak made a motion to use the \$250,000 or whatever remains from the EMS funding that was put back in the budget and additional funding from fund balance to equal \$560,000 as a one-time expenditure toward the service expansion amendment to the County Manager's recommended budget for Oxford Landfill Upgrades. Commissioner Timothy Karan seconded the motion. After discussion and a recommendation from County Attorney Wrenn, the motion was withdrawn.

Upon a motion by Commissioner Tony W. Cozart, seconded by Commissioner Ed Mims, and unanimously carried, the Board approved the service expansion amendment of \$2,500 to the County Manager's recommended budget for an Employee Recognition Program by reducing the Grants Matching funds budget line item. This will be included in the Human Resources budget.

Commissioner Tony W. Cozart made a motion to approve the request from Social Services for an Income Maintenance Supervisor II in the amount of \$24,000 and Social Worker III for Adult Services in the amount of \$24,495. The motion died for a lack of a second.

County Manager Felts recommended waiting until after the public hearing to act on the District Health requests.

County Manager Felts said that the service expansions approved thus far would equate to a 2½ cents tax increase and would be presented at the public hearing on May 16th. This would be without any action on the Law Enforcement Center. He noted that the Board would have to act by June 30th for an increase in taxes.

Discussion ensued regarding the Law Enforcement Center and funding options. County Manager Felts noted that debt service on 100% financing would be approximately \$1.1M.

Commissioner Timothy Karan made a motion to proceed with a Law Enforcement Center with a 2½ cents tax increase for funding. Commissioner Tony W. Cozart seconded the motion. When Chairman Jay called for a vote on the motion it passed by a vote of 4-3 as follows:

Ayes: Commissioners Cozart, Jay, Karan and Smith

Nays: Commissioners Currin, Mims and Smoak

County Manager Felts said these changes will initiate a 5 cents tax increase and will be included in the proposed budget for the public hearing on May 16th.

The approved changes did not include funding for Granville County Public Schools for Category I or Current Expense. Commissioner Currin asked Dr. Dorwin Howard how this would affect them. Dr. Howard answered that if the Legislature approves the proposed 5% increase for teachers, they will not have the \$652,261 to pay the increase in benefits for the locally paid positions. He said there are capital outlay projects that are on hold that will have to be delayed again and noted that it would help to at least get the funding for one year.

SERVICES EXPANSIONS APPROVED

Listed below is the summary of items approved for funding to be included in the proposed budget:

Department	Title	Amount
<u>GENERAL FUND</u>		
Information Technology	Email Security Enhancements	\$ 20,920
Human Resources ¹	Employee Recognition Program	0
Human Resources	Paycom's HR Benefit Suite	20,735
Senior Services	Wage Inc for Medicare Specialist	2,153
Cooperative Extention ²	Unwrappin' 'The Gift /He Matters programs	2,940
Inspections ³	Building Inspector	12,947

Granville County Schools	Schools – Cat. II & III Cap. Outlay	50,000
Granville County Schools	Schools - 3% Supplement Increase	1,191,602
Granville Medical Systems	EMS funding reduction	(250,000)
Sheriff	Law Enforcement Center Financing	1,083,275
TOTAL		\$2,134,572
<u>SOLID WASTE MANAGEMENT - CONVENIENCE CENTER FUND</u>		
Environmental Programs ⁴	Roadside Litter Crews	\$ 0

¹– Figure represents \$5,000 of funding for Employee Recognition by way of a transfer of \$2,500 from the Wellness Program and \$2,500 in grant matching reserves.

² - Figures represent the net of increased funding (\$20,115) over the original amount budget for these programs (\$17,175)

³ - Figure represents net of supplies expenditure and half year's gross salary and benefits less anticipated permit revenues generated from this position

⁴ - Figure represents net of salary expense and supplies for part-time clean-up crews (\$ 100,390) funded by \$5 increase in Solid Waste Household User fees.

BOARD WENT INTO CLOSED SESSION

Upon a motion by Commissioner R. David Currin, Jr., seconded by Commissioner Ed Mims, and unanimously carried, the Board went into closed session as allowed by G.S. 143-318.11(a)(3) to discuss an attorney-client privilege matter. Upon a motion by Commissioner Edgar Smoak, seconded by Commissioner Timothy Karan, and unanimously carried, the Board returned to regular session.

BOARD ADJOURNED

Upon a motion by Commissioner Tony W. Cozart, seconded by Commissioner Ed Mims, and unanimously carried, the Board adjourned.

Respectfully submitted,
Debra A. Weary, NCCCC, CMC
Clerk to the Board