

The Sampson County Board of Commissioners convened for a planning session at 8:30 a.m. on Tuesday, February 16, 2016 in the Conference Room of the County Administration Building, 406 County Complex Road in Clinton, North Carolina. Members present: Chairman Billy C. Lockamy, Vice Chairperson Sue Lee, and Commissioners Albert D. Kirby Jr., Harry Parker and Commissioner Clark H. Wooten.

The Chairman convened the meeting and called upon Commissioner Parker for the invocation. The Chairman called upon County Manager Ed Causey for some introductory remarks. Mr. Causey recapped the schedule for the day and noted anticipated visitors or topics which could be included in each session. He noted that he had exempted Public Works from their session, given that they had been out in the evenings flushing lines and repairing line breaks. He suggested a separate session could be held on water issues. Commissioner Wooten commended the Public Works staff for their efforts to accommodate customers during the line flushing.

Budget Update Finance Officer David Clack provided revenue and expenditure reports, comparative of the period ending January 31, 2015 and January 31, 2016. (Copies attached.) Highlights of his report:

- Ad valorem taxes were budgeted at an increased collection rate of 96.38%, and we are keeping up last year's pace. Last year we over-collected on taxes by approximately \$143,000.
- Sales taxes are below percent collected last year due to the increase in the budget of approximately \$931,000; however we are still on track to collect budget and these amounts only represent 5 months of collections including November sales.
- State grants are behind last year due to a timing difference with respect to the receipt of grant reimbursements; one month is missing but has since been received.
- Local grants are up because of prompt payment by grantee.
- Inspection fees are ahead of prior year, due to more permits being issued on all trades.

- Jail fees are down due to a timing difference in the receipt of funds. Based on current billing we expect to meet budget.
- Ambulance fees are ahead of prior year because we are not having the issues with Medicare and Medicaid we experienced last year. Last year we collected approximately \$60,000 more than budget.
- Aging service fees are down from what appears to be a drop in demand and we are monitoring the activity and expenditures in the programs. The decrease in revenues will be offset by a decrease in expenditures as the part-time personnel will not be utilized.
- The Agri-Exposition Center has increased its bar sales and rental fees over the same period with bar sales up approximately \$9,000, security personnel revenue up approximately \$7,000, and rental fees up approximately \$23,000. The Class Acts fund-raising has collected over \$11,000 more than the prior year at this time.
- Other revenues are exceeding budget due to the receipt of sales tax refunds that were not budgeted to come in this year. Excluding those funds, the amount of budget collected would be approximately 5% more than the prior year.
- Expenditures as a whole are at 50.89% through 1/31/2016. As of 1/31/2015 we were at 53.02% of budget. We are on track to bring expenditures in below budget. The largest increases in budget for FY 15-16 are in Capital Outlay. As of 1/31/2016, we have expended or encumbered 68% of the total capital outlay budgeted. As of 1/31/2015 we had expended or encumbered only 51% of the total budgeted. Our department heads are doing a good job of managing their budgets to help ensure that we do not expend fund balance.
- Education spending is ahead of last year because they are spending their capital outlay funds at a faster pace.
- Culture and recreation is about the same on total spending, but the budgets that make up this function have been cut.
- Debt service spending is down due to the expected reduction and the refunding.

Health Department Presentation Health Director Wanda Robinson and Accounting Specialist Tamra Jones discussed the impact of Medicaid cost

settlement revenues on the Health Department budget. Ms. Robinson discussed concerns arising from the Division of Medical Assistance (DMA) change in the formula for calculating settlements being applied retroactively for 2011-2014 holdbacks and 2014 cost reports (services that have already been provided and billed locally). Such change, she noted, resulted in a statewide loss of \$20 million (counties having to pay the state rather than receive reimbursements); however, Sampson County actually received more revenues than expected for FY 2010-11 and FY 2011-12. Ms. Robinson stated that DMA and the federal Centers for Medicare and Medicaid Services were working to develop a new State Plan Agreement (SPA) and county health departments were advocating that new definitions not be applied retroactively to the 2013 settlements. She noted that the better health departments bill, the better the cost settlements; cost settlements can impact service delivery as Medicaid accounts for 22% of the department budget.

Information Technology Update Information Technology Director Chris Rayner discussed the physical infrastructure of the County's information technology: fiber installations to most county agencies, aging networking equipment, and a mix of phone installations for which newer solutions - such as VOIP - are available. Mr. Rayner recapped the October 2015 IT crisis where 3 of 15 drives were down (with multiple delays in accessing replacement equipment), causing data corruption and significant loss of time and efficiencies in County departments, especially the Library and Sheriff's Office. He noted the potential budgetary impacts of a new email system, internet connectivity, the upgrade of aging network systems (which so far had been included in budgets without an increase) and a new backup system for data storage and virtualization. He reported on contracted services with Star Communications for a virtual hosted network which will include nightly replicated backups of the County's servers and will assist with disaster recovery of data. Mr. Rayner discussed the need to realign his department staff to allow him to delegate some of the day to day technology issues and allow for more planning and for a technology specialist assigned to the Sheriff's Department. Commissioner Wooten asked if the current department structure was adequate to meet the needs, and Mr. Rayner stated no because one of his current employees was clerical. He added that the technology specialist for the Sheriff's Office could be located in his office. Mr. Causey added that he did not want IT decisions to be made independent of the IT department and its director. Commissioner Wooten noted that if someone was added they must have a skill set to carry the department and the county into the future. Staff and Board members discussed the necessity of strategically planning for future technology needs.

Convention and Visitors Bureau Presentation CVB Executive Director Sheila Barefoot and CVB Chairman Ray Jordan were present to discuss the activities of

the CVB and provide a report on the strategic planning process the board will be undertaking. Ms. Barefoot's PowerPoint presentation included the possibility of increasing the room occupancy tax from 3% to 6% for increased funding for the development and implementation of capital projects to attract visitors and increase the economic impact of the travel and tourism industry in the County. Commissioner Wooten asked if there were a metric to determine the fill rate of the lodging beds and associated patterns. Ms. Barefoot stated that she was not aware of one and that lodging providers may not wish to disclose such information, but she would inquire about it.

Mid Carolina Council of Governments Mid Carolina Executive Director Jim Caldwell was present, along with Arnold Page of the COG Board and RPO Planning Director Mike Rutan, to answer questions from the Board regarding the services received for the County's \$17,128 annual contribution. County staff noted that currently the County does not utilize the planning services offered by the COG, except for transportation planning, and the County pays an additional \$5,816 annually as a member of the RPO.

Legislative Discussion Over lunch, NCACC Director Kevin Leonard and Outreach Associate Neil Emory discussed the membership benefits of the Association and key goals for the 2016 General Assembly Short Session.

Emergency Management/Fire Inspections EMS Director Ronald Bass reviewed the timeline of the Board's previous approval of the proposal to defray the costs of providing fire inspections throughout the County and decisions received to date from the municipalities regarding contracting with the County for such services or conducting their own inspections. To date, the City of Clinton has opted to conduct their own inspections, and the Towns of Garland, Turkey and Roseboro have elected to contract with the County. It was noted that the primary concerns raised were the limited staff in municipal offices, how non-payments would be handled by the towns, how inspections would be handled in the ETJ areas, and who would be responsible for plan review. County Attorney Joel Starling reviewed the statutory provisions regarding fire inspections, explaining that there were sections related to counties and specifically to municipalities, both having mirror provisions about doing inspections, including fire inspections. He noted that the language stated that every city shall perform the duties and responsibilities set forth either by creating its own inspection department, creating a joint inspection department with another unit of government, or by contracting with another unit of government or arranging for the county in which it is located to perform the required inspections within their jurisdictions. He stated that there is no explicit direction when it comes to the administrative side, such as billing, but the implication to him (and the School of Government) was that the municipalities

were responsible for providing inspection services; as the statutes say that any time a county inspector is performing the service on behalf of the city, the law treats them as a city employee for liability purposes, and that tells him the expectation is that ultimately it is a city responsibility. With regard to the question on ETJ's, he stated that the city would have to affirmatively do something to assert inspection authority in the ETJ. He noted that resolutions requesting that the County perform such services in the municipal boundaries were adopted in 2009 and 2010. The issue now, he noted, is simply the fee structure and administrative considerations. Mr. Causey noted that the City of Clinton had indicated they would do the inspections in their ETJ. Mr. Starling noted with regard to non-payments, the statutes do grant municipalities the authority to sue for collection of the unpaid fees (though it may not be economically feasible). The floor was opened for municipal representatives in attendance to voice their concerns.

Tony Blalock, Finance Officer for Roseboro, noted the Town did feel obligated to do the inspections in contract with the County, but had questions whether it was in their best interest to do them in the ETJ; they don't have a nexus with the businesses in the ETJ and it would be difficult to collect from them. Regarding the agreement from 2009, their attorney felt that the County inspector should be considered an agent rather than an employee. He also noted that the Town could pay a great deal in attorney fees to collect unpaid inspections fees. Mr. Starling stated that the General Statutes had already made the decision regarding the classification of inspector as an employee.

Pam Cashwell, Town Clerk and Finance Officer of Garland, stated that they had no issue with the inspections and the fee, but it was more of a billing issue. She suggested that fire inspections be handled like building inspections, collecting the money upfront rather than a bill-through. She added the town would not know how much to budget to pay in a year to pay the monthly costs. Mr. Causey noted that having businesses billed by the municipality lets them understand that the County was doing inspections on behalf of the town. He reminded the Board that the fire inspection proposal was created to allow all the mandated inspections to be timely completed without added costs to the County. If the proposal were to change to have the County do the billing, then some recalculation of the County's costs would have to be done. Commissioner Kirby asked to clarify that the County was essentially taking on the responsibilities of the towns for fire inspections, and if they don't pay us to do it the County may have to raise taxes to cover the costs of the personnel needed to perform inspections which are mandated by the State. Mr. Causey noted that the fees were not designed for the County to make money, only to cover our costs. Mr. Bass noted that fire inspections were different from building inspections; they could not be pre-paid as they were unannounced inspections.

Juanita Faircloth, Finance Officer for the Town of Salemburg, noted there was the potential for added costs for the collection of unpaid fees (attorney fees, etc.). Mr. Blalock added that they had no way of knowing which size businesses might be done in a year or the number of re-inspections required or fines, so they did not know how to budget the costs. Commissioner Parker asked if the towns planned to meet with their businesses, and Mr. Blalock stated that he had considered meeting with county officials to determine some sort of history; trying to meet with 50 or so businesses would be impossible. Commissioner Kirby and Chairman Lockamy wondered if there were an opportunity for municipalities to generate a windfall, if there were additional fees that could be set to offset potential costs for collection of unpaid accounts. Ms. Faircloth noted that the tax rate for the town would go up more than the County's if they had a deficit. Commissioner Wooten noted that he had taken the position that fire inspections can be difficult and the town would want some involvement with their businesses to ensure they were not alienated. Mr. Bass acknowledged that fire inspectors, while mandated, are not always the most liked persons and complaints often go to commissioners when they should go to municipal officers because they have something at stake; the towns need to know what their businesses were doing. It is a win/win situation that fosters communication. Commissioner Wooten acknowledged the difficulty on the towns, but noted the liability on the County – and the municipality – if all fire inspections are not done in a timely manner and stated that he believed this was the best way to get them done. Ms. Faircloth asked why the change from when the resolutions were previously signed in 2009 and 2010, and Commissioner Kirby noted that all required inspections were not being done in a timely manner given the number of staff. The County found itself in the position of either hiring additional inspectors at substantial cost or letting the municipalities do inspections since they have a stake in the inspections.

Ronald Bass then discussed the 911 Backup Center, explaining that the Clinton Police Department had been so designated for years but that they had not been allowed by the 911 Board to expend any 911 funds on its development due to its proximity to the primary 911 Center. He noted, however, that the proximity is now not an issue, but that it was certain equipment to see wireless callers. He requested permission to seek grant funding to fund equipment installation to allow the Clinton Police Department to be certified as a backup 911 Center. Upon a motion made by Chairman Lockamy and seconded by Commissioner Kirby, the Board voted unanimously to authorize EMS to seek grant resources.

Landfill Overview Landfill Manager Bryan Wuester provided an overview of landfill operations, explaining how the waste cells were constructed and

monitored. He highlighted the leachate evaporation and gas to energy initiatives. Mr. Wuester explained the disposal areas, tonnages and types as allowed by permit. He stated that all the waste received at the Sampson County Disposal site is generated within the borders of North Carolina as required by the landfill franchise and that it meets the waste characteristic guidelines dictated by the franchise and state and federal landfill regulations. He noted that while the trucks hauling materials (contractors, not Waste Industries vehicles) may be licensed out of state, the materials contained within them are not from out of state. He discussed the extensive process for review of special wastes, and noted that despite concerns expressed by some in the community, the landfill does not accept the Duke Energy coal ash. Commissioner Wooten suggested that it be checked to ensure that the vehicles domiciled in North Carolina, or in Sampson County, be registered for tax purposes in the County. The problem of roadside trash was discussed, and Mr. Wuester discussed the efforts of the landfill operators to work with haulers to reduce blowing trash. Commissioner Lee noted concerns with drivers not obeying traffic lights, particularly at the Community College stoplight, and Mr. Wuester stated that if a vehicle number could be reported he could handle the concern and he would also issue a notice reminding all vendors of the concern. It was noted that it would be helpful if those applicants in the neighborhoods adjacent to or near the landfill could be considered for vacancies at the landfill; their firsthand knowledge of the operations would be shared positively in their community. Staff discussed the revenues budgeted annually from landfill host fees, and Mr. Wuester provided a recap of host fees paid in the last five years. Mr. Wuester invited the Board to a more extensive tour of the facility to see the full operations, perhaps late March or early April.

Upon a motion made by Commissioner Kirby and seconded by Commissioner Parker, the Board voted unanimously to recess to reconvene on Thursday, February 18 at noon for the second day of the planning session.

**SAMPSON COUNTY,
NORTH CAROLINA**

**February 18, 2016
Planning Session - Day Two**

The Sampson County Board of Commissioners convened for a planning session with lunch at noon on Thursday, February 18, 2016 in the Conference Room of the County Administration Building, 406 County Complex Road in Clinton, North Carolina. Members present: Chairman Billy C. Lockamy, Vice Chairperson Sue Lee, and Commissioners Albert D. Kirby Jr., Harry Parker and Commissioner Clark H. Wooten.

As they enjoyed lunch, the Board had general conversation before beginning the presentations for the day. Assistant County Manager Susan Holder, Projects and Communications Specialist Richard Carr, and Information Technology Director Chris Rayner introduced the County's new website.

Sampson Community College President Paul Hutchins and Vice President for Academic Affairs and Administration Bill Starling presented the Community College's budget requests for FY 2016-2017, beginning with ongoing stewardship efforts for their current budget. Their presentation included justification for current expense increases of \$5,224 for personnel and for maintenance contracts, for a total request of \$1,389,388. Dr. Starling reviewed critical priority capital requests – Warren Center Cooling and Boiler (\$95,000); ADA Accommodations (OCR Review) for bathrooms, parking lots and main pedestrian walkways (\$250,000); and Kitchin Building Roof (\$176,918). He also discussed needs for the North Building (\$120,000), Kitchin Hall (\$230,918 including the roof), Warren Student Center (\$309,000), Vehicle Replacement (\$42,000), Shop Building (\$250,000), Welding Shop (\$50,000), Parking and Roadway (\$500,000), Campus Directional Signage (\$100,000), and Building Systems (\$314,000). Dr. Starling also noted the need for a Nursing and Allied Health Building, which he estimated at a cost of \$8,667,432. He noted that this was the first priority of the Community College Trustees. He discussed the NC Connect Bond, which would generate \$4,774,533, without a local funding match. Dr. Hutchins noted that if the building had been built with the County's previous bond project, it would have cost about \$5 million. With the NC Connect Bond monies, the County's cost in match would be \$3,892,899, a lower amount than before. He acknowledged that the match would probably necessitate an increase in taxes or increase in debt, not something the commissioners may want to do. He reported that at their most recent meeting, the Board of Trustees voted to apply the \$4.7 million bond monies to new construction, with the Nursing and Allied Health Building as a first priority. If the County could not make that happen, then the \$4.7 million would be used to address the problems with the Welding Shop (a new facility could be built for under \$2 million) and to add an addition to the Kitchin Building to place two modern lab spaces to replace very outdated science labs. The Chairman asked if enrollment were still good in the nursing program given the increase in online instruction opportunities. Dr. Hutchins nor Dr. Starling were aware of online nursing experiences because of the clinical components required for a nursing degree. Dr. Hutchins noted the need to offer science education for those who may not qualify for nursing school. Dr. Starling noted the impact of the early college programs housed on the campus and the need for updated technology in the science labs. Commissioner Kirby asked that in modern technology age, would spending \$8 million on a building be prudent if instruction was trending to online. Dr. Hutchins explained that online courses were increasing, but the vast majority of those online are also on campus as well – not one or the other, but a combination.

Sampson County Schools Superintendent Eric Bracy and Finance Officer Dale McLamb discussed budget process priorities: funding that has direct impact on students and teachers, accurate projections of student enrollment, review of contracts for relevance and possible savings, review of all expenditures, reduction in reliance on fund balance for salaries and benefits, and review of staffing allocations and non-salary allocations. Dr. Bracy listed as budget stressors the loss of flexibility in teacher assistant funding, the uncertainty of low wealth allotments, the decrease in fund balance, the loss of federal funding, and bonus money/potential salary increases for employees. He discussed the system's improvements in testing, security and 1:1 student/technology device capabilities. Commissioner Kirby noted calls he had received regarding the track at Hobpton High School and expressed concern at using an increasing amount of fund balance to operate schools. Mr. Causey asked Dr. Bracy if he could provide specific needs and budget funding requests, and Dr. Bracy that information was being gathered from principals that week. Mr. Causey noted that County departments were being asked to submit their budgets by mid-March. Commissioner Wooten asked what would be the most impactful thing the commissioners could do for the children, and Dr. Bracy stated that it would be to increase the compensation of teachers. He noted there were some skilled people who won't consider teaching because of the compensation.

Clinton City Schools Superintendent Stuart Blount introduced new Finance Director Susan Harrison and provided an overview of budget savings measures from the past three years (outsourcing of contracts, increasing class sizes, elimination of duplicate programs and reductions in positions without reductions in force) and school system accomplishments (realignment of resources, Google technology platforms, increasing graduation rates). He reviewed program considerations and challenges for the next year (lack of knowledge of fluctuating state funding levels, funding for supplements, lottery funding, and virtual charter schools diverting funding from school systems) and capital outlay priorities for several years utilizing the current allocation levels. Dr. Blount discussed use of fund balance and the need to be able to forecast future funding. Commissioner Kirby reiterated his concerns of fund balance being used to balance budgets.

Social Services DSS Director Sarah Bradshaw provided an NCFAST update, noting that Work First had been implemented, but Child Care, LEIAP and CIP had not; these three are anticipated to be in NCFAST by December 2016. She reported that the additional federal revenues had covered the sustainability efforts approved last year. She reported that the FNS backlog was cleared 100%; current Medicaid Recertification backlog as of January 2016 was approximately 75% less than January 2015 (about 7,700 cases down to about 1,900); the MA/FNS staff turnover was greatly reduced (approximately 8% turnover from January 2015-January 2016); temp staff needed was reduced by about 50% - current sustained staff count is about 10 per month; Call Center and Triage was dissolved; and there had been 100% local reversal of universal operations as of Feb. 1, 2016. She noted that the department was again siloed because

the system was not capable of supporting the universal worker. Ms. Bradshaw noted that overtime needs had almost been alleviated; no overtime was needed this fiscal year until last month (January) and was expected to end no later than next month (March). She reiterated that the local opinion that universal operations were not expected to ever be possible. Ms. Bradshaw updated the anticipated additions in administrative revenue due to the changes in the reimbursement rate for Medicaid Transportation staff time. She concluded with an explanation of the new work requirement for certain FNS clients.

Sheriff's Department Sheriff Jimmy Thornton was joined by Cpt. Eric Pope, Cpt. Julian Carr and Lt. Lawrence Dixon to discuss a justification for the addition of a detective position in the fiscal year 2016-17 budget, at an estimated cost \$53,370.78 (classified in their department as a floating investigator). The caseload shouldered by the current number of detectives has led to turnover. Staff discussed that adding the position in the budget would mean exceeding the position cap imposed for the pay plan implementation which would require the reduction of a position elsewhere without Board approval to exceed the cap.

Planning & Zoning - Solar Farms Planning Director Mary Rose provided an overview on how the County currently addresses requests for solar farms, noting that they are treated as a special use wherein the Planning Board reviews each application and a site specific plan for which conditions can be added as necessary to lessen the impact of the farm on adjoining property. Ms. Rose discussed the absence of potential land use impacts noted to date. Mr. Ronnie Jackson, Chairman of the Friends of Agriculture asked to address the Board on this issue, explaining his concerns with the loss of prime farmland and potential environmental concerns including the potential for hazardous waste after the expected life span of a solar farm is reached without required plans for disassembly. He offered information regarding concerns from NCSU Professor Herbert Eckerlin and noted that Dr. Eckerlin would be willing to come to provide additional information. Mr. Jackson was asked if the Friends of Agriculture had taken a position on the matter, and he said they had not yet. Commissioner Wooten expressed great respect for Mr. Jackson and his concerns, but noted his own concern about placing any additional requirements or restrictions on landowners. Commissioner Kirby noted concerns about landowners being told what they could do with their land, and Mr. Jackson noted he shared such concerns, but additional information is needed on potential hazards from someone other than the solar energy companies.

Public Works (this session was cancelled)

Wrap-up/Miscellaneous Mr. Causey ended the session asking if the Board had specific direction for budget preparation. Board members expressed their desire for no tax increase, noting the Manager should do what he needed to do to avoid any increase.

Mr. Causey noted that the budget would be developed with approved cost savings, but departments will also be working on the additional future cost savings.

Upon a motion made by Commissioner Kirby and seconded by Vice Chairperson Lee, the Board voted unanimously to adjourn.