

The Beaufort County Board of Commissioner met in for a Special Called Meeting on Tuesday, May 24, 2022, at 5:30 PM, in the Commissioners Boardroom located at 136 W. 2nd Street in Washington, NC with the following present:

Commissioners Present

Chairman Frankie Waters
Vice-Chairman Jerry Langley
Commissioner Stan Deatherage
Commissioner John Rebholz
Commissioner Hood Richardson

Commissioners Absent

Commissioner Booth
Commissioner Walker

Staff Present

Brian Alligood, County Manager
Katie Mosher, Clerk to the Board
David Francisco, County Attorney
Anita Radcliffe, Chief Financial Officer

Budget Workshop

Beaufort County Schools

Chairman Waters said at this time we will reconvene the budget workshops and now I'll turn it over to the County Manager, Brian Alligood.

Mr. Alligood said as we finished up last meeting we are now going into education. He said with the Board's permission we would like to move forward with the school system, the community college and then back up and get DSS. He said we talked about that they would be here because they have a DSS conference. He said we'll pick them up then move our way through public safety. He said Dr. Cheeseman is here tonight to answer any questions the Board may have about the school budget. He said he's got a graduation he's got to go to, so we've got him first up. He said to kind of kick that off you'll see in our recommended budget we obviously had that in place, like we did last year, before we got the information, the final information from the schools so we brought the current expense forward from last year and as you recall, the finance officer was speaking with the Board about the restricted sales tax money that, by statute, has to be encumbered in a special reserve fund or transferred to the school system for capital expenditures. He said so our proposal on that, and I think the school system made the suggestion that the Board look at the technology piece because they had such a large technology expenditure based on Covid funds, that the Board start setting aside some funds to take care of that when, in later years they need to replace that in bulk because it came in as a bulk. He said in that vein, what we would propose to you going forward probably, is to take the current, the additional sales tax money that we won't be able to calculate until September, and essentially set that aside in a capital reserve for the schools like they talked about. He said we did bring forward, in this proposal for the new fiscal year under cash capital, we did bump that to \$1.675 and that's based on what we estimate what the sales tax would be. He said so then the Board would need to look at that. He said you may want to leave all of that the way it is you may want to move it towards a reserve to be able to build that fund up when they need it later. He said essentially that is where you are and you have all the information that we have, you have the school's information and I guess I'll turn that over if you have any questions for the Superintendent or his Finance Officer.

Chairman Waters said since we've already had the presentation, unless somebody's got any different, does anybody have any additional questions.

Commissioner Richardson said I got the list from you of the number of people that are paid from County expenses and it's just about as bare bones as it can be. He said how about having a job title, at least, on the list and then maybe we go

back with some job descriptions to see what these people are doing. He said I got what was essentially a cryptic list of numbers.

Dr. Cheeseman said we can do that.

Commissioner Richardson said the number of people that are in that, well if you list, I think you listed by employee number and then I think it was some other stuff but salary, job title and how many part-time employees do you have. He said I like to know that to, that we're paying for.

Dr. Cheeseman said we can get that to you, and we'll send it back to Mr. Alligood so he can share it with everybody.

Commissioner Rebholz said do you have, and it seems to me that two years ago in your presentation you had a rather extensive list, almost a reserve study, of what the future needs were going to be for capital expenditures.

Dr. Cheeseman said yes.

Commissioner Rebholz said I don't think we got that this year. He said all we got was the one that came from the principals. He said you had something that was much more extensive than that with coolers and chillers and roofs and all that type of stuff.

Dr. Cheeseman said in two years we've narrowed some of that stuff down so that's come down so that's come down a bit, but we were actually able to use our ESR funds and we've done an RFT, specifically looking at HVAC and chillers so we've put that into a different bucket with our RFT's and our ESR funds. He said we can send that proposal to Mr. Alligood, and he can share that with you. He said the list that Mr. Alligood has, it is a tall list and I think that total is \$5.5 million.

Commissioner Rebholz said the reason I'm asking is because at some future date though, you're not going to have ESR funds.

Dr. Cheeseman said September of 2024.

Commissioner Rebholz said the County would then be responsible for coolers and chillers and all that stuff that goes out.

Dr. Cheeseman said right, that's why we're trying to use those funds now so it would not be the burden of the County, absolutely. He said if you think through it this way there's been some debate statewide and at the federal level whether ESR money should be used for HVAC, especially if you had a pre-existing issue with your HVAC prior to Covid and so we're trying to do a set-aside now between \$4 and \$5 million and say look we can save our County that amount of money if we earmark that amount of money towards the schools for HVAC, boilers and chillers. He said the issue is those projects have to be done 100%, to fruition otherwise if the project ends after the expiration date then your local funding is on the hook for it, so we don't anticipate we'll be able to hit every school based on materials and timeline of when it would come in, but we can give you updates.

Chairman Waters said Commissioner Booth is running a little late. He said if he has any additional questions we'll just have Mr. Alligood send them to you.

Community College

Mr. Alligood said if you will move on to the Community college starting on page 129, just a quick rundown on that, Dr. Loope is here if you have any additional questions. He said the current expenses is up about \$200,000 and the cash capital is down about \$500,000, a little less than and that is because you did some one-time capital last year for the boat building start-up piece and that was just one time so overall the budget is up just slightly. He said the proposal not in the Community College budget but the proposal in the budget, based on the Board's direction and vote previously for the Beaufort Promise is that we've taken \$1 million out of the general fund and placed it in a special revenue fund with the intent of that being a four-year cycle so the Community College can charge against that up to \$250,000 a year or if the Board wanted to adjust that up or down so that they could provide the program that they want to do. He said they talked about providing tuition free education for folks in Beaufort County at the Community College. He said that was what we put together based on what we heard here.

Commissioner Richardson said what I see going on early on here in this process is pulling a lot of money out of the general fund so that we avoid giving a tax decrease this year.

Dr. Loope said that's certainly one way of you could look at it if that's the way you chose to look at it. He said the way we look at it is as a way of enabling the County to better and enhance its workforce prophecies and work towards trying to stop the out-migration of students in moving forward, which we continue to see. He said one way, the only way we're going to continue to try to stop that out-migration, to try to build a workforce for Beaufort County, as well as the other three counties that we'll serve through our foundation, is to try and continue with the Beaufort Promise program, which is increased our enrollment by some 22% over the last year. He said otherwise we think that folks are going to leave the area and go to other places to go to school. He said this is a good way for us to really try to plan in a strategic way for the workforce development, and thus the economic development for Beaufort County for the next four years, at the very least, and beyond we think. He said so that's why we're asking for this commitment from the County to strike down one of those barriers, being tuition and fees in this case, for those students who are going to stay here. He said we're not talking about the dual enrollment students or the students who are in Early College High School. He said they go for free already, compliments of the State. He said this is for the students who are going to stay in the area, hopefully, who are in the career and technical education programs, who are 18 to 45 who are or beyond who are seeking to improve their career technical abilities and it could be in short-term workforce development like CDL truck driving, it could be in welding, it could be in mechanical engineering technology, it could be in HVAC. He said so it's for the trades, career and technical and for the older students in particular so that's our plan.

Vice-Chairman Langley said what we're doing now is investing in our young folks and some of our older folks and so what's being proposed is a good thing and I think you'll see it come to fruition.

Commissioner Richardson said let me go back on that for just a minute. He said we've already admitted that we don't know how this program is going to turn out and we're going to keep an eye on it. He said we're funding two complete school cycles, four years, you know as far as I'm concerned its money down another rat hole. He said fund it annually so that you can see what it's doing because what's been proposed is a four-year guarantee with no performance standards so it's not good government, it's not good spending and it's not good for the people of Beaufort County.

Dr. Loope said I think the performance standards will have to speak for themselves in the enrollment of the students and enrollment at the college. He said students vote with their feet and if they're going to come and they're going to stay here instead of driving past us and going to Pitt County or other places and they're going to continue to enroll at Beaufort, I think that the fact that we're going to, we're proposing to limit what Beaufort County would spend on this. He said just to Beaufort County residents, it would be for nine or more credits, which is about the average of what students are with us now who are taking free tuition and fees, compliments of the HRF federal funding are taking. He said or 50-hour programs related to career and technical training on the continuing education workforce side. He said so we think the proof is in the pudding in respect to whether the students stay or not over time. He said sure the students who are coming from Pitt County or Lenoir County may not stay with us because they'll have to pay the full freight, but the proof will be how many Beaufort County students stay with us and come to us because we will be able to remove that barrier, one of the barriers for our students, which is most of the tuition and fees. He said most of our students are poor, they are working poor which means they are folks who have multiple part-time jobs sometimes, or even a full-time job perhaps but they have the cost of attendance, which is, of course, health care, childcare, transportation costs, all those other things that are still barriers that they'll have to try to cover through some other means so for us this is a way of trying to invest, as Commissioner Langley said, in the future of workforce development and economic development for this County. He said I think it can change the economic development landscape here if we're able to move forward with something that will try to reduce some of the obstacles for, certainly the population of 18 – 45 and beyond.

Commissioner Rebholz said in answer to your question Commissioner Richardson, I think it's critical that we make a long-term commitment. He said we just don't throw this out there for a year and next year say we can pull it back. He said I think there's got to be a commitment here for that timeframe in order for us to be able to properly evaluate it so I'm in full support of this program.

Commissioner Deatherage said are all Beaufort County residents that use this program that is funded by Beaufort County, are they all American citizens.

Dr. Loope said I can't guarantee that right now. He said if that's something the Commission decides that it wants to require then that's something we would put into the guidelines for the program.

Commissioner Deatherage said I thought that was going to be in the guidelines.

Dr. Loope said we haven't put together the guidelines yet because it hasn't been funded.

Commissioner Deatherage said it was the decision of this Board that it would be in the guidelines.

Dr. Loope said it would be in the guidelines, like I say, after you guys decide whether you want to fund it or not, we would put it in there.

Commissioner Richardson said we might as well make this into a fun thing folks. He said I've sat here for years; we've invested in Beaufort County, and we've invested in Beaufort County but we're \$70 million a year in the school systems, K-12. He said we've invested in the Community College year after year, we've poured money into that. He said the truth of the matter is the Community College is over built right now. He said everything is an investment, it's nothing but socialism. He said that's what we're talking about right now, pure socialism and if you guys want to buy into it and you want to go for the socialist thing the taxpayers will have to decide.

Commissioner Booth said I remember a few years ago we had this same conversation about Early College. He said it was socialism then and now it's one of the best programs that we have in this area, and I support what you're trying to do. He said I also hope this Board doesn't stoop low enough to limit any child from funding their education. He said if you're in the school system then you should be able to go to the school. He said I know that they're talking about the Latinos but they're here and they're part of program and they should be a part of the programs that we have.

Dr. Loope said it's like Jefferson said, a nation that wants to be ignorant and free wants what never was and never will be. He said higher education serves not only the individual but the common good of this nation. He said if we're going to be a democratic republic where people are going to make decisions for themselves, they're going to have to have the capacity to make those decisions and that's what higher education helps them do.

Commissioner Deatherage said you referred to Jefferson and back in his day there was no public education.

Dr. Loope said yes but he created it.

Commissioner Deatherage said he did for a college in Virginia and that was it. He said I think, and I would like to restate, if anyone has a green card they'd be here legally and maybe you could expand to them being able to use that function that supports Beaufort County citizens. He said I don't know, that's up for debate, but flat-out illegals, I can't see, the taxpayers of Beaufort County need to, as Commissioner Booth so eloquently spoke, if they're in the school system, the public education system, at least the primary school system they have to fund, per the Supreme Court ruling so many years ago and so that is part of the funding but I do not think there should be a continuation when people are here illegally, especially now that they're being brought across the border in droves, that the taxpayer of Beaufort County fund that and make that as a protractive nuisance, so to speak, and bring them into our country. He said free education while we pay for it and our children can't get baby formula. He said it's just ridiculous at this point. He said we can't do but so much for everyone in the world. He said America is a wonderful place, but we cannot be the last resort for the rest of the world to come and live here, free education notwithstanding. He said so I think we need to rethink free education for everyone because I don't think that's going to work. He said I think mathematically it's a functional impossibility.

Social Services

Mr. Allgood said if you'll move back to Social Services, that's on page 61. He said in general, what we talked about in the presentation under human services, overall, those costs centers, which includes DSS and the Health Department, were up about 5%. He said again, we look at DSS like we look at the Health Department on what that cost share is, and we do show there's a 1% increase. He said it's increased from 43% to 44% on their budget but if you go to page 61 you'll see the detail of their different programs and the director is here to answer any questions you may have.

Commissioner Richardson said do you have any programs that are totally funded by Beaufort County.

Ms. Corprew said no, we have the Community Alternatives program that the County provides funds for and the Home and Community Care Block Grant that the County funds some towards but none that I'm aware of that is totally funded by the County.

Sheriff's Office

Mr. Alligood said moving on to public safety, the Sheriff's Office and the Sheriff's office includes the jail and E-911 communications. He said that starts on page 135. He said the Chief Deputy is here to answer any questions you may have. He said again, the overall picture that we talked about in the budget presentation was that yes, the departmental budget was up a little bit but that is also in considering that we've got inflation that's hit us pretty hard, they have a tremendous amount of vehicles that are on the road, gas prices are up, gas prices are going to continue to be up. He said we tried to take some of that into consideration. He said we anticipate the census in the jail will go up. He said there has been some issues with, that we need to address on meal costs to make sure that we're able to cover those, so we anticipate an increase there. He said we want to make sure that the vendor that's providing those meals are able to do that and not go bankrupt and not be able to provide those meals to the inmates, which we're required to do. He said there's some additional costs with supply chain issues on the maintenance of vehicles as well as, we have proposed, and the Chief Deputy has some information for you on the vehicles. He said as you recall several years ago we had come to a gentlemen's agreement to get ten vehicles in the replacement cycle. He said we are at a point where we felt that we could get back to that so in this budget it is showing a ten-vehicle replacement cycle and that's at \$400,000 to replace them. He said that may not be ten vehicles because vehicles, right now, are outrageous. He said essentially it's whatever \$400,000 will buy. He said the Chief Deputy is here to answer any of your questions, specifically about the vehicles because that question came at the last meeting so he's got a spreadsheet for you on that, and any additional questions as you dive down into that budget that you may have that he can answer for you.

Commissioner Rebholz said the first question is, under the monitoring, is there budgeting for the pre-trial release, electronic house arrest. He said some of the discussions we've had is we want to increase that. He said is that enough to increase the use of that.

Chief Deputy Rose said the number that was selected in the budget is basically based on the trends of spending over the last three or four years and that is really based on the fact that anybody who spends any substantial amount of time in the jail gets the application sent through and then it's up to the judge to sign off on. He said so if we were to increase the amount of monitors we have and people then we would need to spend more than the \$40,000 that we have, it's just we budgeted on the trends that we've had for the last handful of years.

Commissioner Rebholz said that's based on a contract service though, isn't it.

Chief Deputy Rose said it is, we use a vendor, but it's not, it's pretty much a pay as you play. He said we are charged for the amount of units we have at any given time, and we can increase or reduce those units based on the workload that we have at any time.

Commissioner Rebholz said I was just going to ask about the storage rent which is 100% increase over last year. He said what's happening.

Chief Deputy Rose said we had an opportunity come up over, let me start back a little earlier than that. He said we needed to address storage issues for the last several years and up until recently we would have storage units that were inside Cli-Co building that's near Kugler Field and every time a unit opens up we would absorb that unit so we were slowly getting to the point that we were more and more in control of that building so we could satisfy more of our storage needs, mainly from the Oakland building but some from the Court Annex where our drug unit is housed as well. He said anyone that comes into the Sheriff's Office right now, in any corner of the building we've got filling cabinets, we've got boxes, we've got different places that are about 8 lbs. of stuff in a 5 lb. bag so we're looking to get more storage. He said over the last year we had an opportunity with the same vendor, the same people that own Cli-Co, they purchased a building that the Ruritans owned at one particular point in time and they we're going to make that into a mini-storage so instead of us continuing to absorb more space inside the Cli-Co building they gave us the opportunity to rent the entire building to make modifications to that building as we needed and that's where we are now. He said if anybody would like to come and take a look at that facility then get in touch with me.

Commissioner Rebholz said is that a long-term lease.

Chief Deputy Rose said no, we can't. He said pretty much anything we try to do, once again, the rules that you have for the County, I try to get any agreement that we have at the Sheriff's Office I try to get at a year or under so it's a little bit cleaner for us to handle that. He said the first bid was for six months and then after that it's going to be year to year on the fiscal year so we can get in or out at any particular time and the owner of the establishment has worked with us very well.

Chairman Waters said I'm having a senior moment. He said what is inmate out of facility services.

Chief Deputy Rose said several years back, let me get to the jail portion, several years back there was some questions and requests that Commissioner Richardson made to break out some of the cost for inmate medical health so working with Finance we sort of drilled down into those numbers that would've been inmate medical and put it to the funds that you can see more of what's being used for medications, for in-house medical, when the Health Department came on board and for the medical cost for inmates that are outside of the facility would be if we had an inmate that's being housed in the prison system as a safe keeper and then they go to the hospital, that would be where you would see that. He said for more information, not just with the state prison system but if the person was at a sister jail and they have medical then you would see that in that number.

Commissioner Booth said you stated earlier that you want to get back on the ten-car rotation. He said I hate to keep beating this to death but in your same statement you said we'd buy as many as we can for that money so what happens if you want to do a ten-car rotation and you're only able to get five for the money that's allocated. He said what happens then.

Mr. Alligood said I think we do the best we can with what we have. He said our hope is we would be able to buy on state contracts or whatever contracts we can that will help negotiate those prices and keep them lower but obviously there's an increase in price for everything so will that fund ten cars, I don't know, we'll have to see what the market is like but if it only funds eight or it only funds six then later on down the line we'll have to somehow figure out how to work that.

Vice-Chairman Langley said how much of an increase have you seen in the price of vehicles.

Chief Deputy Rose said it depends on what type of vehicle. He said I have zero doubt that in the budget we can get ten vehicles in. He said just looking at and looking at the spreadsheet I gave it should answer a lot of the questions about vehicles, especially surplus vehicles, or unassigned vehicles that you have, we have a plan for vehicles that, we present it yearly, but we look at it all of the time and the plans for what we've got going on for next year and the year after that really started three or four years ago on that cycle. He said we've been fairly smart on our planning. He said we've got a mixed fleet and we've got a fleet where we purchased vehicles, not in, well bulk is probably not a great word, but we bought a whole bunch of vehicles in the same year so they're going come due to be replaced in the same year, if that makes sense so we've done as much of that as we can. He said probably the worst part of planning for vehicles is the Dodge Charger is slated to come off the line. He said Dodge is already saying they're not going to make the Charger as a police vehicle moving forward. He said if that is like what happened when Ford stopped making the Crown Victoria then we're good because they said they're going to stop the Crown Victoria for ten years, so we've got the plan on that. He said the Charger has been a great sedan for us at one of the lowest price points. He said they're lower than the Chevy, they're lower than the Ford and they've been really good cars for us, even though other agencies had issues with them. He said so I think that we'll be able to, with the funds, fully outfit ten vehicles which means we can replace the higher mile vehicles that we have now and the ones that will be higher miles by the time we get those outfitted, which really won't be until January of next year. He said so once we hit the budget, we order those vehicles in September or October, we get those vehicles outfitted it's actually the beginning of next year before we get any vehicles, at the earliest. He said but I'll also be willing to answer any questions on the spreadsheet that I just gave the Commissioners as well.

Commissioner Richardson said did I hear that we anticipate that the jail population will be up next year.

Chief Deputy Rose said yes.

Commissioner Richardson said why.

Chief Deputy Rose said we're seeing, if you look at the trends over the last two years we're sort of getting out of the Covid pushdown of population. He said we're still at the point now where our numbers can fluctuate between the 50's and the 60's depending on what's going on, which is low but we still haven't had a lot of inmates that we would have based on the trial courts are still not running full, the admin courts are still not running full and probation, which is probably the biggest piece, probation is still leaving us alone so we're not getting as many weekenders, which weekenders is really a misnomer. He said we can have a weekender any time. He said a weekender could be slated to come from Tuesday to Thursday and we're not having any of those as far as our numbers go. He said the dips and dunks and whatever other names that probation uses, they're not really using those to keep our numbers down but eventually it's going to get to the point where the court system is running business as usual and in that case, when that comes back up we're going to be in the 60's and 70's, which I would consider a normal number for the jail.

Emergency Services

Mr. Alligood said the next is Emergency Services which starts on page 145. He said as we went through that one the Director and his Department heads are here tonight to talk about any specific information you may need but under Emergency Medical Services you'll see that budget has decreased from last year. He said it's down by 2.8%. He said Emergency Management is up 20%. He said that's a small department and we are replacing a vehicle this year or proposing for next years budget at about \$47,000 so that is driving about half of that. He said overall, like we talked about with other departments there's insurance, retirement on top of that so when we look at that the main driver is that vehicle replacement and then in Animal Control you'll see they're up about 13%. He said there's some additional equipment replacement that they need to do. He said obviously things get worn out, there's some work we've got to do on the kennels that we need to do to make sure that those are sealed up so when the State comes to inspect that everything is good. He said there's also a proposal in there to do some capital equipment and redo the sign out front so we can probably help out with some better advertisement in getting folks to the shelter and helping out our animals. He said so those are the three pieces of the Emergency Services budget and I'll be glad to answer any questions or pass those over to the Director or his department heads if you have any specific questions they can drill down on those.

Commissioner Rebholz said the EMS tax revenue, which is the taxes levied on another EMS taxing area, right.

Mr. Alligood said there are districts, so everybody is in a district unless you live in the City of Washington and then the City of Washington covers theirs, and Bath, which you're going to be picking up and Belhaven. He said Belhaven pays their own now and then on July 1, if the Board approves it, then Bath will roll into us charging and there's no changes in any of those this year.

Commissioner Rebholz said the question is, is the tax revenue that we're getting from the taxes we're levying on those non-profit districts, is that sufficient to cover the expenses.

Mr. Alligood said no, not in general.

Commissioner Rebholz said okay, so what are we taking from the general fund to make that balance.

Mr. Alligood said in the areas that are covered not by the County the departments are making up the difference. He said they're having fund raisers, they're doing whatever to cover their budgets so there is a portion that we're moving back, what are you looking at.

Ms. Radcliffe said \$904,000 is the district tax.

Commissioner Rebholz said so we're taking in \$904,000 from those districts that are north Beaufort and the two on the southside.

Ms. Radcliffe said Bath Township, Washington Township, Town of Belhaven, Town of Pantego and that's it.

Commissioner Rebholz said so again, do we know what's coming out of the general fund.

Ms. Radcliffe said if we take the total expenditures for EMS, the \$3,014,344 that's recommended, and we subtract the \$900,000 that would give us that difference.

Mr. Alligood said there's also billing.

Ms. Radcliffe said that's right, we also have the billing that offsets that cost as well and then again we have additional expenditures that are going to be in the Communications budget for the Emergency Dispatch folks, so we have expenses in various places as well as different revenues that offset those.

Commissioner Rebholz said okay, let me see if I can get this from you. He said if we were to operate this as an enterprise fund what would the deficit be.

Ms. Radcliffe said I'd have to calculate that for you.

Commissioner Rebholz said okay, can you.

Ms. Radcliffe said yes, we've done that before. She said we've provided that for you, I can update that for you.

Chairman Waters said the last time we dug into it, it was plus or minus \$1 million.

Mr. Alligood said the other piece of that is that there should be a portion that's helping the overall coverage because the County is responsible, under the administration of the plan from the State to ensure all that occurs so there's some oversight that would naturally be a part of that as well.

Chairman Waters said in other words, what you're saying is we're not charging an administrative fee to these departments that are kind of stand-alone as it relates to billing and reporting.

Commissioner Rebholz said no, we're just taxing the taxpayer.

Mr. Alligood said you're actually maxed out at 5% so you can't go any higher than 5% because of the way the districts were put in.

Commissioner Rebholz said so the difference is just being made up out of the general fund, which is the taxpayers across all, all taxpayers across the County.

Chairman Waters said but no district can go higher than 5%.

Mr. Alligood said that's correct. He said statutorily there's a way to put those districts in and as I recall, when the County put them in they essentially did the short-form way of doing it and when you do the short-form way you can only do 5%, that's the maximum you can go. He said if you'd done it the long-form way and done some other stuff you could've gone higher, but the County chose to do the short-form.

Forestry Service

Mr. Alligood said the next one is Forestry Service and that starts on page 151 and as you recall this is an agreement you have with the North Carolina Forestry Service and the State of North Carolina where the State pays 60% of the budget and Beaufort County pays 40% of the budget under a cooperative agreement so they give us their budget, what they anticipate, and we match that up. He said they're up a little bit, I think they've got some replacements they've got going on. He said we show a 2.5% increase or \$4,200. He said the good news about that is if they don't spend it they're one of the agencies in the state that if they don't need it they don't spend it, so we don't match up against it so typically our budgets come in under unless we have a big forest fire, unless they've got to do something here locally. He said we've had that happen before where they've used the whole budget, or we've had to throw a little bit more to them but if it's a good year than we're okay because we match up to what they spend at 40%.

Other Emergency Services

Mr. Alligood said the next item is Other Emergency Services, that's on page 153. He said that's a couple of things that the Board helps out with. He said the Sidney Dive Team, you have historically funded them at \$10,000 each year. He

said I believe there's an expansion this year for the Sidney Dive Team. He said they were given some money by the other County to help out and I think what they're asking for, not in this budget but in the expansion, is some additional funding for additional training because they got the additional helmet, and they need some additional training on that. He said we also provide, the County also provides funding at \$3,500 for the volunteer fire department safety house, and that's a house that they pull around on the trailer that helps kids understand how to get out of a house when there's smoke and there's fire and teach fire safety so the County has always committed to helping out and making sure that piece of equipment is usable and is updated as it needs to be and is taken around to all the different places for kids to get education on fire. He said then medical examiner. He said you'll see in the budget we've got about \$45,000. He said the medical examiner charges when they investigate suspicious deaths throughout the County and the County is on the hook for that by statute and typically what we see is about 15% of all deaths, that accounts for about 15% of deaths statewide that have to be investigated by a medical examiner. He said again, that goes up and down so historically we trended it out and that's where we think we're going to be, about \$45,000. He said so those are the three items under other emergency services, I'd be glad to answer any questions you may have.

Special Revenues

Mr. Allgood said that takes us into special revenues, you'll see that starts on page 157 and let us get into those. He said of these you will see the descriptions starting on page 155, that's the E-911 telephone system. He said that's where we get funds from the State where the State applies a surcharge on telephones and that money goes to the State 911 Board, the divvy it out to counties that have public safety answering points and it's based on the number, I'm trying to remember if it's based on population or what it's based on. He said there's a formula that it's based on and then they look at the amount of money you have in fund balance related to 911 and the discount it if you have too much fund balance. He said but this is the funding that we get from the State. He said then you have the State and Federal seized funds. He said that's revenue that's associated with the seized drug funds that we get from state and federal that the Sheriff's Office uses. He said the fire and rescue districts, this is the funds that accounts for the tax collection and distribution and we'll get into this a little bit further on, starting on page 157. He said again, you have the tax revaluation reserve fund. He said we talked about that in the budget message. He said you are required by statute to set aside a certain amount of money each year so you can pay for the revaluation when it comes up. He said that's what that is. He said the economic development fund is what we called the airport grant fund. He said under the old arrangement where the County and the City were together on the airport and the County backed out, stepped out of the agreement you set a baseline back in the year that happened. He said the County always gets that amount from the valuation, the revenues that were set from the valuation at the time the agreement was made. He said everything above that goes to the City. He said it's sort of an incentive to grow the valuation out there because when it grows they get additional money so that's where we show that money. He said when it comes to us, because it's only taxed at the County level, it was de-annexed in order to provide incentive for people to locate at the airport but that's where we show that money coming into and paying out on the airport grant. He said the capital reserve fund is funds set aside for future capital purchases. He said the home community care block grant, that's for eligible seniors, that comes from the State. He said the healthcare reserve fund, you'll recall that's the funds the County received when they closed out the trailing liabilities for Vidant health system and those funds we're set up. He said the County borrowed against that; you'll see in the budget where we're paying ourselves back. He said we talked about that in the budget presentation. He said I think we have eight, it was a ten-year loan, so I think we've got eight years left on that and we're paying ourselves back with interest. He said then you have the facility and capital reserve fund. He said that is where you set aside one penny of your tax evaluation a couple of years ago to go to projects for capital, we'll get into that in detail. He said EMS special revenue fund, starting on page 156, that accounts for EMS billing. He said that's where you the collection, you get some collections funds from that. He said you also get debt set-off and that's been successful for us where if people don't pay their bill the statute allows us to send that to debt set-off so that it will come out of someone's tax returns or it will come out of their lottery proceeds. He said so we're able to collect that money. He said then you see the additional special revenue funds that are 4-H, Cooperative Extension, DSS. He said you'll remember a year or two ago GFOA, the Government Finance Office Association who sets the standards for accounting, the Gadsby standards, said you've got to account for these funds in a different manner. He said they were essentially being accounted for under those departments so we had to pull those out so those are special programs that they have. He said an example is like in 4-H, the 4-H special, they have the livestock auction show, they have summer camping, that's to account for those funds and we had to show they were taken care of appropriately. He said so we had to do that for 4-H, Cooperative Extension and DSS. He said then you have the new one, you have the Beaufort Promise. He said that's where the Board voted to set aside funds at the Community College. He said that is

where that sits. He said starting on page 157 you'll actually see the detail. He said this is the revenue side and then if you go, starting on page 159 you'll see the expenses. He said looking at that you'll see, starting at the top and I'll be glad to answer any questions as you go through it since there's no point in me going through it completely, 911, you have the 911 surcharge. He said that's estimated at \$167,817. He said you've got fund balance appropriated out of the 911 fund of \$29,936 so a total of \$146,752 that the State considers eligible 911 revenues that you can expend funds on. He said so then if you look on the other side, page 159, you'll see the E-911 expenditures, they balance out. He said you'll see we recommend \$81,000 for telephone, \$19,000 and change for software, \$11,000 for hardware, furniture and then training for \$24,000. He said these are eligible expenses that the State says you can use that special money for. He said if it's not in one of those categories then the County has to pick it up so there are certain things like radios, you're not allowed to use 911 funds. He said it's one of those things we just beat our head against the wall sometimes when we go to the General Assembly and they say you can't spend, the State 911 Board says you can't spend that money because of statute and essentially you can do everything in receiving the call in the 911 system, putting it into the system, getting ready to dispatch and once that happens it has to be picked up by County dollars so it's really a flawed system in the funding piece of it and that's something that is an argument every year and I don't know if that will ever change. He said but that \$146,752 matches up with what we show in revenues and that goes through all of it. He said you will see all the way down the tax revaluation, you'll see the EMS districts, so if there's any questions with those I'd be glad to answer those but those are details that include the big pieces.

Commissioner Rebholz said maybe you said this, but I didn't hear it. He said why are we off almost 50% on the 911 surcharge.

Mr. Alligood said we're off about 50% because 50% of what they do over there is non-eligible for 911 funds, you can't spend 911 funds on it. He said all you can spend the money on in 911 is answering the call, getting the 911 call to you, answering it and putting it into the system. He said you can't pay the dispatcher; you can't pay to get on the radio, you can't pay for those things associated with it. He said you can pay for phone lines and the dispatching software, those kinds of things.

Commissioner Rebholz said so what happened last year. He said why do we have, why were you able to spend 50% last year.

Mr. Alligood said the funding they gave us each year, in fact we just got the letter today, the e-mail from the E-911 Board, it says this is how much you can spend next year. He said it's based on our fund balance and basically they dinged us a little bit and said you've got fund balance sitting there and since you have some fund balance we're going to ding you and not give you as much because we want you to spend some of your fund balance. He said so we're spending some of our fund balance, but the State 911 Board is doing that on purpose to try and make counties spend down their 911 funds.

Commissioner Richardson said okay, the 4-H special revenue fund, we fund that to the tune of \$36,000 per year.

Mr. Alligood said no, there's no County money in that.

Commissioner Richardson said okay, where does that money come from.

Mr. Alligood said it comes from their programs.

Commissioner Richardson said they collect that money.

Mr. Alligood said yes sir, it's in and out but we have to account for it and show it.

Commissioner Richardson said Cooperative Extension special revenue fund, is that the same thing, they collect that money.

Mr. Alligood said yes sir, they're self-supporting.

Commissioner Richardson said they just have to pass it through us.

Mr. Alligood said yes sir.

Commissioner Richardson said DSS representative payee special revenue, where's that money come from.

Mr. Alligood said it's federal funds.

Commissioner Richardson said they write us a check for that.

Ms. Radcliffe said yes.

Commissioner Richardson said what do we use that money for.

Mr. Alligood said it's restricted client funds that are for wards that, folks who need custody, folks that can't look after themselves, essentially.

Commissioner Richardson said so it's their money, not our money, their money.

Mr. Alligood said yes. He said there are no county funds in this.

Commissioner Rebholz said under the seized funds why are we adding funds to that.

Mr. Alligood said because there's actually fund balance there.

Commissioner Rebholz said there's fund balance in the seized funds.

Mr. Alligood said yes sir. He said the Sheriff's Office is saying we want to spend this much money out of that, so they added the fund balance to equal it out.

Commissioner Rebholz said can you give us the fund balance in these accounts.

Mr. Alligood said we can, we can pull it up for you. He said we don't have it right off the top of our heads, but we can do that.

Chairman Waters said how do we fund change in our technology in our 911 center. He said where I'm going, I'm assuming right now, we cannot, if somebody is in a hostage situation and they try to send a text will that go through to 911. He said can you pick that up, a text.

Chief Deputy Rose said no, not right now. He said we do have, the consoles that we have now are capable of doing that but we're working on getting the correct and updated modules through our operating systems to do that, and all of that is in the budget. He said it was in the budget last year and got cut, it's in the budget again this year so if you approve the modules to do that then we'll be able to upgrade.

Chairman Waters said the actual 911 money that's collected from people who live in Beaufort County, does all of it go to Raleigh in one central place and then you go to petition the Board for a grant or something to get the money back.

Mr. Alligood said so actually it's charged against your phone lines so there's a surcharge against your phone line so there's a fee on your landline if you have one and there's a fee on your cellphone if you have one. He said those funds are collected by the State, they go to the 911 Board. He said some of that they take a cut out of and use it for statewide programs like flying aeriels. He said it used that was something that was not funded, the State took over that with the 911 funds, so they fly the State, each section of the State gets flown once every three years. He said so the eastern part is going to get flown one year and then the mountains get flown the next. He said they use 911 money to do that, and we get those maps, everybody in the State gets those maps. He said then they have a formula where each 911, each primary public safety entry point, PSEP, and you're able to use those monies for specific things in the legislation that is allowed. He said like I said, radios are not allowed. He said they will pay for training, they'll pay for equipment but you can't, one of the things that was very, that I thought should have been clear as day to the folks in the General Assembly, they did a presentation for them, it said here's what you can spend, we're going to show you what you can spend 911 money for based on the way you have the legislation. He said they had the person dial 911, they had the telecommunicator answering the line, taking the information and then they said I'm getting ready to dispatch and they cut it off and said you can't pay for anything else. He said so the County is required to step in at that point and pay for all of the radios

related to that and ensuring that information gets passed back so there's always push to the State to expand that. He said unfortunately years ago there were some bad things that were done with 911 money. He said some counties, before it was as tight as it was some counties were buying firetrucks with it.

Commissioner Richardson said originally the money went to, we put it in a special fund and just drew down based on the legislation but because of abuses the legislature, in their infinite wisdom, put controls on it.

Chief Deputy Rose said some of the fund balance that we still have, I'm sure most of you will remember when the State was pushing for identical back-up PSEP to be built in the County and that's when they were pushing funds for that and saying whatever you have in your main office we want the same stuff, same building and there was some agencies, and we were one of those, that pushed against that. He said so we had the money that they were saying you could use for that, but we didn't spend it on that and now we're paying the price to get back to where 911 thinks we should be as far as funding goes. He said through the director of 911 we've pushed and pushed to see exactly what we can use those funds for and the ways that we would use those in our office and we're getting pushback on that and that's, the break-away with that is 911 said we're going to give you less funds until you have a number that we think you should have.

Vice-Chairman Langley said based on what you said, so the modules that the Sheriff's Office needs in the 911 center you said anything that's incoming, until they dispatch, that 911 money should fund so therefore, if what you're looking for is text messages coming in, that should be applicable.

Mr. Alligood said it can be and I think what the Chief Deputy is saying is we're able to cover that, we're just not there yet. He said we're in the process.

Vice-Chairman Langley said but he was saying it was in the budget and it got taken out so if that being the case it should never have been taken out.

Chairman Waters said he was talking about the duplication.

Chief Deputy Rose said no, the Vice-Chairman is correct. He said where it gets squishy is that program that runs that is also attached to Motorola who also runs a lot of the radio systems, the computers and also owns Spillman and Sonnet, who is our CAD operator now so you can't just go in and say I want this piece of the text to 911. He said you've got to buy this package to get that and some of that would be covered by 911 and some of it wouldn't be.

Commissioner Rebholz said under page 160, Medicare Cost Settlement, the \$500,000. He said do we have; do we know how that's going to be allocated out. He said is this the cost settlement that we went through last year.

Ms. Radcliffe said yes.

Commissioner Rebholz said where Medicare is giving funds to the County, excess funds.

Ms. Radcliffe said yes. She said any excess Medicaid funds are distributed back to the counties.

Commissioner Rebholz said okay, I would like to know before we approve the budget how that's going to be allocated.

Ms. Radcliffe said it will be allocated; the methodology will be the same as last year. She said I don't know what the dollar amount will be until the settlement is approved.

Commissioner Rebholz said this is the expected amount.

Ms. Radcliffe said it's a budget amount, it's an estimated amount.

Commissioner Richardson said it goes to the general fund when it comes in, that's how we're doing it now.

Ms. Radcliffe said part of it goes to the general fund but because we bill on behalf of agencies they get a portion of it as well.

Mr. Alligood said that's going away. He said it's going to get less and less each year. He said with Medicaid Transformation they changed that. He said there's going to be less and less cost settlement.

Commissioner Richardson said that's right. He said the original theory was the federal government messed up portioning funds and some senators and congressmen set up a deal for a disproportionate share for poor counties and there's all kinds of things that go into it, but it has to eventually disappear.

Enterprise Fund – Water Fund

Mr. Alligood said so moving on out of the General Fund now and into the Enterprise Funds. He said as you recall, enterprise funds are set up as business like services in that you're providing a commodity or item or service for folks and you do that in a business-like manner in which you charge a fee or rate for that service and the people that use that service are essentially paying for that and you hope you're able to cover all that in the full ride. He said there are two of those, that is the Water Fund that is separate. He said you'll see the Water Fund, that budget is about \$8.3 million. He said you do show this year, it's the completion of the rate study that started back in 2018/19 so now all the districts, those seven districts, all the districts are now uniform in their rates. He said you remember at one time we had different rates across different districts and the Boards direction after we looked at it all was to make those uniform, where you consolidated all the districts financially when you did that several years ago. He said we are now at the end point of that so this year all the rates are the same across all the districts. He said some rates went up a little bit and some went down a little but now they're all uniform. He said we are continuing the capital improvement plan that was established back in 2018/19. He said \$183,900 is recommended as capital and then we are funding some contingency, a little over \$28,000 in the Water Fund. He said there are some additional projects that are out there that are being funded, that the Board has chosen to fund under ARPA so that helps us overall in the enterprise fund but that's where this is, and the Public Works Director is here to answer any questions you have about the water districts.

Commissioner Rebholz said we show in the budget there's \$70,000 for credit card fees and that's an increase. He said I know the credit card companies are increasing their fees. He said is that going forward and started about a month ago. He said are we going to be in a position that we need to put a surcharge on credit card usage. He said I don't know, is the water districts the only place we accept credit cards.

Ms. Radcliffe said the Tax Office. She said we accept credit card payments for taxes however for taxes the County cannot absorb the credit card processing fee, it has to be passed on to the citizen. She said with an enterprise fund, such as water, we've always considered the credit card processing fee as a part of doing business, just like a merchant would but now there is an option that was approved a couple of years ago that merchants can pass that fee along to the customer. She said you used to not be able to do that.

Commissioner Rebholz said I think if, year over year, we start seeing these rates start to go up we ought to probably take a look at that to keep ourselves whole.

Ms. Radcliffe said so really the reason for the increase is more utilization of credit card payments because of Covid, I believe, rather than rate increases.

Commissioner Rebholz said it was on the news that they're raising rates across the board.

Ms. Radcliffe said I have not seen any rate increases. She said they tried to increase our rates about two or three years ago when they passed the rule where you could pass the fee along to the customer and I called and renegotiated that down, but I've not heard of any increases, but I will check into that. She said I really feel like it's more utilization of people paying online and by phone with a credit card because they don't want to come into the office because of Covid.

Chairman Waters said off hand, do you know what the fund balance is in the water enterprise. He said you can email it.

Ms. Radcliffe said I can email it, but it's probably close to \$8 million but I'll email you the exact amount.

Chairman Waters said also the solid waste, both of them.

Enterprise Fund - Solid Waste

Mr. Alligood said Solid Waste is your other enterprise fund and in that there's about \$2.4 million that were recommended. He said it does include a \$5.00 increase. He said that would take it to \$175.00 from \$170.00 and that is due to increased cost of disposal and inflation. He said obviously the solid waste industry, we're not decreasing in that. He said we are a throw-away society and people are just finding more stuff to throw away or they're buying more stuff to throw away. He said there are some efforts under the solid waste department on recycling efforts. He said they're trying to bring that back into play but that is not going to take out of the residential solid waste a significant portion or drive that down. He said it's going to help a little bit but it's not going to be a significant help, unfortunately. He said we are a throw away society. He said so those costs are going to continue to go up. He said we are in year; Ms. Smith what year are we in on our solid waste contract.

Ms. Smith said four.

Mr. Alligood said four, so we've got four more years on our current solid waste contract so there is, if you recall, in that contract we were under a fixed rate for a number of years and now we're in a fluctuation on CPI so there's an increase moving forward based on CPI. He said then we'll be, like I said, in four years we'll be able to renegotiate that and try to drive those down again. He said it's just a really difficult market. He said we don't have much control at all and that was a decision that was made several years ago. He said some counties got into the business of solid waste; they have their own landfills. He said the County, a long time ago, had our own landfill. He said they are extremely expensive, there's a lot of environmental pieces to that and they're very difficult to locate now so our challenge is that we're kind of at their mercy because we don't own one ourselves so we can't really say you'll bring it to us, and this is what the rate will do. He said we're kind of at the mercy of the market to what the providers say and it's really interesting because it's all about negotiations, long-term engagements, and all different stuff. He said you may have a provider give one county a rate and give another county a different rate and it all gets hauled to the same waste field so it's really interesting how it all works but we are locked into our contract. He said we are continuing, just like in the water fund we're continuing to show an administrative fee that's being paid out of those enterprise funds back to the general fund to offset the costs where general fund employees are doing work for the enterprise funds, which makes sense, it's only fair. He said we're transferring \$50,000 into the solid waste fund balance to build that up so we can start doing capital improvements like we need to and then contingency is funded slightly at only \$8,000 in contingency. He said we've struggled with that fund to try and make it where it needs to be. He said as you recall several years ago we had it in the general fund, it was being heavily subsidized by the general fund, and it was really hard to see how much money it was costing you, so you were subsidizing it with general tax dollars. He said now it's clear what it costs but it's almost embarrassing how much it costs when it comes down to disposing of solid waste. He said it's going to take a change in society and how we deal with that to make any serious impact on it.

Commissioner Booth said how many people are being charged the \$175.00, do you have that.

Chairman Waters said last time I checked it was 22,000 plus.

Ms. Radcliffe said close to 23,000 I believe.

Chairman Waters said there is some other money that comes in from the white goods.

Mr. Alligood said so there's some of that but it's relating to using, the whitegoods is used to provide disposal of those white goods, to be able to recapture freon from some of those whitegoods because you can't release those into the atmosphere. He said the tires, we use that money to pay for the disposal of tires because we're required by state law to do that. He said so yes there are some programs but there are expenditures related to those programs.

Chairman Waters said do you want to take a stab at the fund balance for solid waste.

Ms. Radcliffe said I think I took a look at that number for Ms. Smith, and it was about \$650,000 a couple of months ago. She said I'm going to say about \$650,000 is what I recall but I want to double check those numbers for you.

Chairman Waters said so there is enough money as we move forward with the engineering work.

Ms. Radcliffe said yes.

Commissioner Deatherage said to what extent will be able to use some of the ARPA funds for solid waste now that we know solid waste will qualify.

Mr. Alligood said essentially whatever the Board decides they want to use you could because the way we're showing that to the federal government treasury is that we're reimbursing ourselves for personnel costs that's allowed, exactly the same way we did under the CARES funds. He said so we free up the restrictions that were on it and it gives us a longer timeframe so that money will run, the money will come in, we'll show that we're using it as a revenue loss and those funds are used in a revenue loss to provide reimbursement for personnel in Emergency Services and Sheriff's Office and public safety that's allowed under expenditures and it frees up the County's dollars to roll to fund balance that allows you to do other things that were originally restricted. He said now you're able to use those for other things. He said the timeframe goes away to because remember under ARPA you've got to have it committed by 2024 and spent by 2026. He said if you do it this way you don't have any timeframes.

Commissioner Deatherage said so under the parameters of expenditures we could quite possibly use that money for anything this Board deems as a wise use of the funds, including solid waste.

Mr. Alligood said you could use it for anything that you are statutorily allowed to spend money on.

Commissioner Rebholz said I think we've asked Ms. Smith and the consultant to move forward with the plan on the super-sites.

Commissioner Deatherage said yeah but that was before we found out there was extra money. He said we just heard from the Manager that we're a throwaway society, yet we do nothing with recycling at this point. He said if we're going to do a super site we need to consider what the functional possibility of a more robust recycling attitude towards the super-site so that maybe our society will be less throw-away and better citizens. He said that would be a good possibility as a conservative measure.

Internal Service Fund

Mr. Alligood said we'll move to where you see Internal Service Fund, this is the worker's compensation fund. He said I just want to hit this briefly. He said this is a new established internal service fund and that accounts for the services within our different governmental departments and it's used to pool resources so that we can make a cheaper operational cost. He said so you have the workers compensation fund and we're pulling, you'll see in the details on page 173, payments from the general fund at, we're pulling \$600,000 out of fund balance and then the additional \$146,000, plus the \$600,000 is the \$746,000 from the general fund to be the total there and then we're pulling \$30,000 out of the water fund because they're covered by our workers comp as well. He said so that gives us a total revenue of \$776,000 and then we're showing what potential claims could come out of that. He said so remember, this is a way to drive down our premium and set up that fund so we're able to do that. He said no changes in our workers compensation. He said we're covered at the same level; we're just paying a higher deductible.

Mr. Alligood said on page 175 you'll see the one penny that's set aside, the \$603,275 is the transfer. He said building improvements at \$575,000 and contingency at \$28,275.

Ms. Radcliffe said I think I missed putting the page in the books, I'm sorry I missed that. He said the details are missing on those projects.

Mr. Alligood said Ms. Smith do you have them with you. He said as we're waiting, if you have any questions, move to page 177 you will see our administrative charges, how we account for the administrative charges to the general fund, you see that percentage, what it's based on. He said it looks at, there is an allocation study that's done every year that is required to do for DSS because those cost allocations are required on those programs, and we use those to look at how we charge back against the bases for each of the funds. He said any questions on that.

Commissioner Rebholz said have any of these percentages changed significantly from last year.

Mr. Alligood said no, not really because they're based on general time lime the overrange time by the Board. He said most of it when you look at invoices paid by the fund, number of computers, the actual costs of mailing manual bills and then the percentage of the tax bills so there's a little change in them but nothing tremendously significant. He said the last

piece that's in there starts on page 179 and that's the fee schedule, the fee manual we present to you each year, and these are the fees that we lay out to return, or to pay for some of the activities that are done. He said there's general stuff, copies, tax collection, return check fees and then you get into the general details where you have solid waste, you have register of deeds, planning, environmental, all the specific items that they're charging for, so we lay that out for you each year. He said you will see occasionally during the year we make some changes to this. He said we take a snapshot, we hope we get it, we hope we have everything we need. He said especially in the Health Department, they'll have a new drug that comes out or a vaccination that comes out that they've got to charge for and that's why you'll see, occasionally, these come to you throughout the year. He said if there's a change that needs to be done due to a terrible increase in cost to us we will make sure we pass that along instead of paying for that out of general fund. He said the last piece is the expansion piece and that starts on Thursday. He said the way we'll run that is we'll have the departments come in first so governmental departments will come in and we'll do general government first then enterprise second and we'll do outside agencies. He said the way that's set up is if an outside agency is requesting new funding, they've never been funded by the Board before and they are requesting funding they'll come in and make their pitch to you. He said if they are an existing entity that's being funded and they're asking for more money then they'll come in and ask you for additional funding, so they'll make their pitch to you. He said our internal departments will make their pitch to you. He said generally, if you look at it, I'll pitch to you the general fund things that talks about everything, it's all the departments but individual departments will pitch their own. He said it kind of keeps me out of the middle of it so I don't play favorites on something I think you ought to do because it's the Department Heads can pitch that to you and say why they need it. He said of course the budget is the Boards budget to look at and get done for your constituents what you want to get done.

Chairman Waters said I got a request; you're doing one as it relates to the COLA less the reimbursement for health and DSS.

Mr. Alligood said yes, that's correct, and Ms. Radcliffe ran those numbers today. He said what we showed you based on a CPI from March 21 to March 22, which were the latest numbers we had when we were putting the numbers together because the numbers always come out a month later. He said so we had the 12 months for March and that was a CPI of 9.1% so we went in and calculated it starting at 5% up to a 9% COLA in what that would cost the general fund and what that would cost each enterprise fund and then Ms. Radcliffe went in and worked out what the difference would be. He said this is just a broad calculation but in DSS there's a reimbursement from the State, so they pick up generally 50%, some higher in some programs and some lower in some programs but we look at it at 50%. He said in the Health Department is also the same way. He said you've got those numbers, I think, if you could share those Ms. Radcliffe.

Chairman Waters said you could share those in an email with everybody, I think that would be just fine. He said the other thing I was going to ask was on the 401K. He said I'm assuming that's taking us from where we're at now up to the 5%. He said can you let us know what 1% would be on the 401K if we stepped it up over a two or three year period.

Mr. Alligood said in general, and I don't want to get to into it but we've got some time so we can talk about it. He said the reason, and I pitched this to you last year and I think it's a really good thing to help employees. He said you do a little bit of that right now, there's a slight match, I think if the employee puts in 1% the County puts in 1%. He said currently law enforcement officers, by statute, you are required to put in 5% to their 401K. He said they don't have to contribute a penny. He said by statute you are required to do that so there are agencies across the state, in fact I used to work for one of the municipalities that said if we're going to do that for our law enforcement we're going to do it for everybody. He said I'm not asking you to do that, it would be a significant increase for us. He said what I am asking you to do is increase what you're doing up to 5% and say to the employee you've got to have some skin in this game but we're willing to match you up to 5% so that would equal you out with law enforcement. He said you're required to do law enforcement at 5%, they don't have to put anything in. He said what I'm proposing to you is that you say to our County employees we'll match you percent for percent up to 5%. He said law enforcement can do that right now, they can put up to 5% and you're still going to put the 5% in, you have to. He said this is essentially, I've heard several Board members say we want to be equal and fair about things and I think this does that. He said plus it's an incentive tool for us to help long term employees and to help people stay so I think it's a good plan. He said you help employees plan for their retirement and take care of themselves later in life and they've got to commit to it, they've got to be a part of it. He said it's not like you're just giving it to them, they've got to have some skin in the game.

Capital Projects

Mr. Alligood said Ms. Mosher is handing out the capital projects. He said Ms. Smith do you want to go over these, there's card access, there's a space setting, there's a roof at Tideland, there's two phases to that and then there's the BHM exterior, doing some work on that.

Ms. Smith said that pretty much sums it up. He said the card access, if you recall, in your 2022 budget we did the buildings for the central campus located here downtown so you'll see these are the outlying buildings. She said Farm Services, Tideland, Animal Control, the EOC, as well as the Health Department. She said the next item is the space study, which again, there's been multiple conversations throughout the years about looking at our overall buildings and looking at each department, the number of personnel and the type of square footage they require. She said do they require storage, do they require desk space, do they require cubicle space, where do they see themselves in the next five years, ten years, looking at that. He said then the Tideland roof, phase two, moving forward with that and then the last item, the BHM exterior is paint, as well as the cupola repair. She said anyone that makes the turn off of Market Street onto 2nd Street, you will see it needs some TLC. She said this does not include any window placements. She said as you know it's an extremely historical building, so we are just hoping to go in and do some repair work. She said I will go ahead and say the \$55,000 that's listed in this is not nearly enough to do a restoration of that building. She said this is merely a paint job and repairs on the cupola and that type of thing. She said to go in and do a true restoration of those windows would be a whole lot more than \$55,000.

Mr. Alligood said so we have this conversation every year and the Board was forward thinking enough a couple of years ago to say let's set a penny aside. He said you funded the study that looked at our infrastructure and said here's what you need to be setting aside each year to repair your existing facilities. He said I think that was about \$2 million when we looked at it, we should be spending about \$2 million every year on our existing buildings to keep them up. He said you see the second phase, it's not the entire roof at Tideland, that's the second phase of the roof at Tideland and that's \$350,000. He said we have a roofing plan in place. He said we did that several years ago where we had an engineer come in and look at all of our roofs, give us a roofing plan so that instead of running around with our heads chopped off trying to patch holes here and there we got into a roofing replacement schedule where we were fixing roofs, fixing them correctly and then moving on and making sure they were set and that we had 20 or 25 year lives on them and then we're moving to the next one. He said there is still a tremendous amount of work that we need to do to keep up our buildings and our facilities. He said it is an investment that we've got to look after. He said I think I made the comment to you one time that if we don't do that it's like adding a second bedroom on the house without fixing the roof. He said if rain is coming in you don't add new stuff to fix and repair your old stuff. He said we've got a lot of stuff we've got to fix. He said we've made good progress; the Board's pushed it, and we certainly appreciate that but there's still a way to go. He said we would appreciate moving forward on that.

Commissioner Richardson said the Tideland roof, which building are we talking about.

Ms. Smith said the Board of Elections.

Commissioner Richardson said BHM, which building are we talking about with that.

Ms. Smith said the library, the old court, the historic courthouse.

Commissioner Booth said I know you stated we had foresight and allocated a penny, and this is just a small part. He said you also said we need about \$2 million behind. He said with one cent I don't think we'll ever be able to catch up.

Mr. Alligood said so a penny for us is about \$600,000 so you'd need to look at dedicating a few more pennies to get us there. He said if you add two more to the one you would almost get there. He said we could probably do that because some of the things in that plan looks at bringing us up to standards that we would not, it also included sprinklers in our buildings. He said we don't have to do that. He said is it probably a good thing to do, yeah, but we're not required by code to do that because they were built prior to that need. He said if you were able to dedicate two more pennies to the capital reserve then we could start making significant progress to our buildings to keep them where they need to be and looking after them.

Commissioner Richardson said go back to the schedule on fees. He said what fees are being increased other than the \$5.00 for solid waste.

Mr. Alligood said so in general, the \$5.00 increase, I think everything else is close to being the same. He said the water, remember the water, this is the last year of adjustment so everything is level, and we can show you those.

Ms. Radcliffe said the uniform fees for water, they're on page 207.

Commissioner Richardson said so water is going up.

Ms. Radcliffe said no, not necessarily.

Mr. Alligood said remember we're getting to uniform pricing so there's still a few districts leveling out. He said some districts went down a little bit, some went up but we're now all equal.

Chairman Waters said as of July 1st we'll all be on the same page.

Mr. Alligood said yes, that's correct.

Chairman Waters said we're going to recess until May 26, Thursday night at 5:00 PM.

Meeting recessed at 6:26 PM

Respectfully submitted to you by:

Kathleen Mosher, CMC, NCCC
Clerk to the Board of County Commissioners