

THE BOARD OF COMMISSIONERS OF THE COUNTY OF CRAVEN MET IN REGULAR SESSION IN THE COMMISSIONERS' ROOM OF THE CRAVEN COUNTY ADMINISTRATION BUILDING, 406 CRAVEN STREET, NEW BERN, NORTH CAROLINA, ON MONDAY, MAY 17, 2021. THE MEETING CONVENED AT 8:30 AM.

MEMBERS PRESENT:

- Chairman Jason R. Jones
- Vice Chairman Denny Bucher
- Chairman George S. Liner
- Commissioner Theron L. McCabe
- Commissioner Thomas F. Mark
- Commissioner E. T. Mitchell
- Commissioner Beatrice R. Smith

STAFF PRESENT:

- Jack B. Veit, III, County Manager
- Gene Hodges, Assistant County Manager
- Craig Warren, Finance Director
- Amber Parker, Human Resources Director
- Arey Grady, County Attorney
- Nan Holton, Clerk to the Board

Following the Pledge of Allegiance, County Attorney, Arey Grady, recited the following invocation:

Lord, we honor You today in prayer and thanksgiving. We pray for our County Commissioners and all who represent Craven County. Grant them peace that passes all understanding and amazing grace to sustain them when days are long and rest is short.

Father, You are our refuge and fortress. You provide everything we need for life and godliness. You hear our ardent intercession, and smile when we raise our voices in praise and worship. We thank You for Your presence, love and grace.

It is in Your mighty Name we pray. Amen.

Based upon the invocation given by Reverend Dr. Alan Keiran, at the January 27, 2012 session of the US House of Representatives

Commissioner Mark motioned to approve the agenda, as presented, seconded by Commissioner McCabe and approved unanimously.

CONSENT AGENDA

Chairman Jones requested that the St. Paul Catholic Church Resolution be pulled from the Consent Agenda. Commissioner McCabe motioned to approve the Consent Agenda as amended, inclusive of the Minutes of May 3, 2021 Regular Session, Tax Releases and Refunds (**Credits = \$5,285.50; Refunds = \$140.96**), Sheriff's Budget Amendment (K-9 Donation), Military Spouse Proclamation and the Juneteenth Proclamation. Commissioner Mitchell seconded the motion which carried 7-0 in a roll call vote.

Sheriff's Office

REVENUES	AMOUNT	EXPENDITURES	AMOUNT
1014310-38301	\$325.00	1014310-43246	\$325.00
Misc. Donations		K-9 Supplies	

TOTAL	\$325.00	TOTAL	\$325.00
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Justification: The Craven County Sheriff's Office has received two donation checks (\$200.00; \$125.00) to support the Craven County Sheriff's Office K-9 program. These donations will help pay for various expenses, including medical care, dog food, and other K-9 related expenses.

Proclamation

CRAVEN COUNTY DESIGNATING THE MONTH OF MAY 2021 AS THE MONTH OF MILITARY SPOUSE APPRECIATION

WHEREAS, in 1984 President Ronald Reagan established the first Military Spouse Day, noting that they preserve the cornerstone of our Nation's strength – the American family; and

WHEREAS, serving alongside our Soldiers, Sailors, Airmen Marines, and Coast Guardsmen, our military spouses give of themselves and give up their time with their loved ones, so we may live safely and freely; and

WHEREAS, enduring separation and relocation, heartache and anticipation, the spouses of our men and women in uniform bear the burden of sustaining their families, caring for children and offering comfort and support while their loved ones are away; and

WHEREAS, Craven County is home to the Marine Corps Air Station Cherry Point, with over 7,000 active Marines stationed there; and

WHEREAS, their wives and husbands endure long absences, uproot their lives and sacrifice their careers, they serve alongside our troops through trial and triumph; and

WHEREAS, these home front heroes deserve respect and support worthy of their sacrifice and grace; and

THEREFORE, let us celebrate these selfless individuals by supporting them and upholding our commitment to stand beside them and their families.

THEREFORE, BE IT RESOLVED, the Craven County Board of Commissioners do hereby proclaim May, 2021 as ***Military Spouse Appreciation Month***; and hereby urge all citizens to recognize and appreciate the extraordinary sacrifices made by both our military and the families they leave behind to ensure our freedom and to preserve our quality of life.

Adopted the 17th day of May, 2021.

Proclamation

WHEREAS, on June 19, 1865 Union soldiers rode into Galveston, Texas, led by Major General Gordon Granger, to announce the Civil War had ended two months earlier and the enslaved were free. The Emancipation Proclamation had little impact on Texans due to the minimal number of Union troops to enforce the Executive Order. However, with the arrival of General Granger's regiment, they were finally able to influence and overcome the resistance, thus freeing the last 250,000 slaves held in bondage; and

WHEREAS, June 19th was quickly shortened to "Juneteenth" among celebrants; historically, these celebrations were a time to reassure each other, pray, and gather remaining family members. Juneteenth is the oldest known celebration commemorating the ending of slavery in the US, and it has become the African American addendum to our national Independence Day; and

WHEREAS, in 2007 North Carolina became the 26th state to recognize Juneteenth as a state holiday observance; and

WHEREAS, Juneteenth is embraced and celebrated by all races and ethnicities in honor, and in commemoration of African American culture and achievements; and

WHEREAS, Juneteenth is an expression of American freedom and, a time for all Americans to acknowledge our independence, human rights, civil rights, and freedom.

NOW, THEREFORE, the Craven County Board of Commissioners do hereby proclaim June 19th, also known as

“Juneteenth”

as a day of celebration in Craven County, and we urge all citizens to participate in celebrations and festivities during the month of June to recognize the significance of this date and celebrate the freedom and achievements of African Americans.

Adopted this 17th day of May, 2021.

SAINT PAUL CATHOLIC CHURCH RESOLUTION

Cathy Bascum, Saint Paul Catholic Church member and member of the bi-centennial committee, stated that Saint Paul will be celebrating the 200th year founding of the parish and will be celebrating events throughout the year, which started in January. She highlighted that she has found some incredible stories about our community and those who have served in the church along the journey.

Chairman Jones ready section one and section 2 of the resolution.

County of Craven

RESOLUTION OF THE BOARD OF COMMISSIONERS FOR CRAVEN COUNTY, NORTH CAROLINA, IN SUPPORT OF THE BICENTENNIAL YEAR OF SAINT PAUL CATHOLIC CHURCH NEW BERN, NORTH CAROLINA

WHEREAS, New Bern has been called the birthplace of Catholicism in North Carolina with the historical record of Catholics practicing the faith since 1774. A priest visiting New Bern, Father Patrick Cleary, befriended the Gaston family from 1784-1790.

WHEREAS, in 1821, Bishop John England made a first visit to New Bern and celebrated Mass in the home of William Gaston. The purpose of this trip was to preserve the Catholic faithful of his diocese, propagate the faith, increase the presence and influence of Catholics in North Carolina, to organize a parish in New Bern and build a church; and

WHEREAS, William Gaston, a private lawyer, a member of the State House of Commons, the State Senate, a North Carolina representative in the US Congress and a North Carolina Supreme Court justice, and several other laymen of New Bern, laid the groundwork for the parish of Saint Paul Catholic Church and ensured that Sunday services were conducted, records were kept and funds were raised to purchase land and build a church; and

WHEREAS, in 1841, the construction of Saint Paul Catholic Church began and was dedicated three years later; and

WHEREAS, Father Thomas Frederick Price, the first native-born North Carolinian to be ordained as a Catholic priest and known as “The Tar Heel Apostle”, came to New Bern in 1887 and established Saint Joseph Catholic Church and Saint Joseph Catholic School for “colored” children. The Cause for Beatification and Canonization of Father Price was entered in 2021 as he was named a “Servant of God”; and

WHEREAS, in 1928, Father Julian Endler, C.P., a Passionist priest, was responsible for building a church, elementary school and high school for the parishioners of Saint Joseph Catholic Church. He served the parish for 30 years, and through his leadership and spiritual guidance created an African American Catholic Church; and

WHEREAS in 1965 the congregations of Saint Joseph Catholic Church and Saint Paul Catholic Church were combined into one parish under the guidance of Father Thomas P. Hadden, the first African American diocesan priest to be ordained in the Diocese of Raleigh; and

WHEREAS, in 1982, Sister Angela Mary Parker, I.H.M., with the help of other leaders in the community established Religious Community Services to provide immediate and dignified relief to the needy in Craven, Pamlico and Jones counties. This not-for-profit agency today coordinates programs including a homeless shelter, soup kitchen, food pantry, clothing closet and prescription drug assistance; and

WHEREAS, Saint Paul Catholic Church and Saint Joseph Catholic Church honor the revered and successful traditions of Catholic Schools in New Bern for 150 years; and

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS FOR CRAVEN COUNTY, NORTH CAROLINA THAT:

Section 1. The Craven County Board of Commissioners has proclaimed May 24, 2021, As Recognition Day of the 200th Bicentennial of Saint Paul Catholic Church.

Section 2. The Craven County Board of Commissioners recognizes the positive historic impact this congregation has had on our city, county, and region and their continued efforts to provide a spiritual vision for the future of our community.

ADOPTED the 17th day of May, 2021.

Commissioner Liner motioned to approve the St. Paul Catholic Church Resolution; seconded by Commissioner Mitchell and approved unanimously.

DEPARTMENTAL MATTERS: SOCIAL SERVICES – CRAVEN AGING PLANNING BOARD (CAPB)

Clayton Gaskins, CAPB Chairman, presented the recommended funding allocations from the Craven Aging Planning Board Budget Committee for Fiscal Year 2021-2022 for the Home and Community Care Block Grant (HCCBG) using the DOA-731 form.

Commissioner Liner motioned to approve recommended funding allocations totalling \$71,592.00, as presented, seconded by Commissioner Smith and approved 7-0 in a roll call vote.

DEPARTMENTAL MATTERS: CARTS

Medicaid Managed Care Provider Agreement – Modivcare

Transportation Director, Kelly Walker, reported that CARTS provides transportation for Medicaid covered services for Craven, Jones, and Pamlico Counties. Authorization is received from the respective Department of Social Services and CARTS files a claim and receives reimbursement for those trips through a system called NCTracks.

She stated that North Carolina Managed Care begins July 1, 2021 and this program has a phased in approach. Beginning July 1, 2021 trips for individuals that are a part of the Medicaid Managed Care program will be authorized by a transportation broker working on behalf of an insurance company. Reimbursement for those trips would come through the authorizing broker, not NCTracks. There are two transportation brokers for the areas served by CARTS.

CARTS, with the assistance of the Craven County Attorney, has negotiated a contract to provide transportation services for Modivcare and Ms. Walker requested authorization to enter into that contract with Modivcare.

Commissioner Liner commented that this program was started 18 months ago and then the state pulled it; and that it is still very fluid.

Commissioner Liner motioned to authorize the County Manager to sign a contract with Modivcare to provide Medicaid Managed Care transportation, seconded by Commissioner Smith and approved unanimously.

Medicaid Managed Care Provider Agreement – One Call

Ms. Walker reported that the second broker is One Call and the information is the same as that which was provided with Modivcare.

Commissioner Mitchell inquired that the plan is the same, just different brokers.

Ms. Walker responded that CARTS will be entering into a contract with the broker, who will in turn pay the County. They are also responsible for getting reimbursement from Medicaid.

Commissioner Liner stated that originally there were to be five brokers, so for now it is good that there are only two; although there is the possibility that could still change.

Commissioner Mark motioned to authorize the County Manager to sign a contact with One Call to provide Medicaid Managed Care transportation, seconded by Commissioner Mitchell and approved unanimously.

Fixed Route Changes and Request to Set Public Hearing

Assistant Transportation Director, Roy Beeson, reported that the CARTS Transit Development Plan completed in June 2017 identified fixed route (LOOP) improvements. Since June 2017, staff has been working to identify funding to pay for any increased costs of improving the LOOP, including exploring sources of the local match for federal funding.

He stated that CARTS has developed a proposed improvement to the LOOP that is not as extensive as recommended in the Transit Development Plan but would still make a positive improvement to the fixed route service in the New Bern urbanized area. Funding would be through the 5307 CARES Act grant CARTS received to assist with operating assistance in the urbanized area, and 5307 CARES Act funding does not require a local match. He further stated there are sufficient funds for this project through June 30, 2024. After this date, continuation of the extended fixed route would be contingent upon adequate funding, specifically the 50% local match portion required for regular 5307 Urban Area Formula Program funds. Between July 2022 and December 2022, an evaluation of the ridership and operating expenses would be completed to allow for budget planning in the spring of 2023 for the FY2023-2024 budget year.

Mr. Beeson, using a PowerPoint presentation, highlighted how CARTS plans on increasing the capabilities of the Fixed Route Service within the New Bern Urbanized Areas:

- Fixed Route Enhancements
- Actions take since February 2020 Work Session
- Rebranding the Fixed Route – OMNIBUS by CARTS
- Newly Added Stops and Removed Stops
- Proposed Fixed Route Stops: Medical Route, Employment/Retail Route and Education/Recreation Route
- Fixed Route Maps
- Impacts of Proposed Changes
- Timeline – October 1, 2021 New Loop Service begins

Mr. Beeson requested that a public hearing be set for July 6, 2021 at 7:00 p.m., or as soon thereafter, to hear public comments on the proposed changes. After public comments have been taken into consideration, CARTS would request approval of an improved and extended fixed route to being October 1, 2021 to replace the current LOOP.

Commissioner Mitchell motioned to set a public hearing for July 6, 2021 at 7:00 p.m., or as soon thereafter, seconded by Commissioner Mark and approved unanimously.

CTS Software Agreement

Mr. Beeson requested authorization to enter into an agreement with CTS for new route management and scheduling software, stating the existing software, Routematch, was provided to multiple eastern North Carolina transit systems by the North Carolina Department of Transportation (NCDOT) in 2006 and was implemented by CARTS. NCDOT covered the costs of the software purchase and associated fees for the first few years.

Afterwards, each transit system became responsible for their own maintenance and licensing fees. Routematch has continued to be used by CARTS since that time and funded through various grants.

He relayed that in 2015, CARTS became a split urban and rural system; therefore, the Routematch software began to show its limitations when this change occurred. The software is challenged to properly account for riders varying funding sources when on the same vehicle. Additionally, the software has been unable to consistently produce the needed reports that are required by both NCDOT and the Federal Transit Administration. Mr. Beeson stated that over the last few years, CARTS has been exploring several options for upgrading scheduling software and has participated in demonstrations of multiple products. Of all of the new software products that have been demonstrated, CTS, and their Trip Master software, has proven itself to provide the enhancements and features that CARTS requires to be compliant with the funding requirements and its procurement can be structured as an annual operating expense as opposed to a capital purchase. By structuring the agreement as an annual operating expense, the procurement is eligible for 5311 (Rural) CARES Act funding. 5307 CARES Act funding for the urban portion has already been secured.

He added that CTS is willing to enter into a month-to-month agreement for Trip Master software licensing and maintenance. The cost of this agreement is based on a per trip usage and will fluctuate from month to month depending on the number of trips provided. Additionally, this agreement can be terminated at any time with 30-day notice with no predetermined start and end date. The agreement has been reviewed by the Craven County Attorney.

CTS also has all the modules that are utilized in the reimbursement process, which will assist in gaining efficiencies in the office and ultimately providing a better management tool.

Commissioner Liner motioned to authorize the County Manager to sign the CTS agreement for the Trip Master route management and scheduling software, seconded by Commissioner McCabe and unanimously approved.

DEPARTMENTAL MATTERS: AIPIRT – AIRPORT PROPERTY ACQUISITION

Airport Director, Andy Shorter, requested approval to acquire the remaining parcel of the Generation Baptist Church property adjacent to the airport. Pastor Hayman and the church Board of Trustees continue to express interest in selling the property. They would lease back from the County for a period of time until they could secure a new site.

He stated the property acquisition is the second phase of acquiring the entire parcel of Church property. The initial phase to acquire the undeveloped parcel is complete. Airport property acquisition in this area continues the overall goal of preventing possible future incompatible land use and encroachment.

Mr. Shorter highlighted that the property is listed for acquisition as part of the current approved FAA Airport Layout Plan and therefore reimbursable under the FAA grant program, and a phase one environmental due diligence assessment and subsequent evaluation will be required before purchase offers can be made.

Commissioner Bucher asked what the plans are for the structure when the church finds a new location. Airport Director, Andrew Shorter, responded that the common process is to look at demolishing structures, but if not immediately, they would keep it looking nice as there are no current plans for it.

Commissioner Mitchell motioned to approve the Airport Authority's purchase of the stated property, seconded by Commissioner Smith and approved 7-0 in a roll call vote.

Commissioner Bucher mentioned that the new round-about has been completed and Mr. Shorter relayed that it is doing the job that it was planned for to do.

DEPARTMENTAL MATTERS: PLANNING – CRAVEN COUNTY COMPREHENSIVE TRANSPORTATION PLAN

Planning Director Don Baumgardner introduced Chris Connolly and Hamal Shah with the NC Department of Transportation. Mr. Connolly provided a Power Point presentation on the Craven County Comprehensive Transportation Plan (CTP), highlighting the following:

- CTP
- Who is involved
- Benefits of having a CTP
- Existing plans 1992-
- Public involvement/ transportation survey update
- Notable highway projects
- Maps for demonstration purposes
- Deficiency analysis base year projected year comparisons
- Public transportation and rail maps; bicycle maps; pedestrian maps
- Next steps – public involvement, then adoptions within each municipality and county
- Contacts

DEPARTMENTAL MATTERS: ECONOMIC DEVELOPMENT

Economic Development Director, Jeff Wood, reported that NavalX serves the Navy and Marine Corps as an innovation and agility cell, supporting and connecting initiatives across the Department of Defense. It connects teams with tools, training, and resources - enabling people to think differently and deliver more effective solutions to the warfighter. NavalX Tech Bridges are a connected network that enhances collaboration between Naval Labs, industry, academia, and other military branches, and offers a collaboration space in a commercial business space, rather than on base. Mr. Wood relayed that an off-base location offers a more easily accessible landing spot to foster a collaboration ecosystem to build productive partnerships and accelerate delivery of dual use solutions to the warfighter; it offers access to State and Local government and academic agencies creating a richer regional innovation ecosystem and further supporting economic development.

The goal is to set up a NavalX Tech Bridge in coordination with MCI East, Cherry Point and FRC East.

Mr. Wood further stated that this is a good opportunity to diversify our military economy; build a new entity to attract problem solvers. He commented that just like franchising something out, there must be a local buy in and there must be a sponsor. He relayed that FRC has agreed to be the sponsor. Once 501C3 is established there will be a need for County support.

County Manager, Jack Veit, stated that he sat in on a recent meeting with military leaders and business leaders and heard from military partners who have been a part of the problem solving tool in other areas. Mr. Veit expressed this opportunity as being a big win for Camp LeJeune and Cherry Point.

Request to Set Public Hearing – Project Excalibur

Mr. Wood reported that Craven County has been approached by a defense and aerospace company to purchase eight acres of property within the Craven County Industrial Park. The purchaser intends to invest over \$6 million dollars and create up to 30 jobs over five years in the defense/aerospace industries. This property's value along with potential incentives from the county's partners such as the state of North Carolina and Craven 100 Alliance have made Craven County competitive. The company intends to be a key player within the defense industry within Craven County and work to market the area to their supply chain. Finally, infrastructure investments the county has made into the Craven County Industrial Park is key to locating

Project Excalibur in Craven County.

Pursuant to N.C. Gen. Stat. § 158-7.1, Craven County (hereinafter “County”) intends to convey for economic development purposes a fee simple interest in a +/- eight (8) acre tract (hereinafter “Tract”) of land, the Tract being known as Lot 19-6 and two acres to be divided from Lot 19-7 in the Craven County Industrial Park.

Mr. Wood stated that the value of the Tract is Twenty Thousand and no/100 Dollars (\$20,000.00) an acre, for a total value of One Hundred Sixty Thousand and no/100 Dollars (\$160,000.00), and the County intends to convey and sell same for such value.

The County believes the proposed conveyance will stimulate and stabilize the local economy, result in the creation of a substantial number of new permanent jobs in the County, and result in increased tax revenues to the County.

Mr. Wood requested that the Craven County Board of Commissioners set a public hearing on Monday, June 7, 2021 at 7:00 p.m., or as soon thereafter, to receive public comments on this matter. Commissioner Mark motioned to set a public hearing for June 7, 2021 at 7:00 p.m., or soon thereafter, as requested, seconded by Commissioner Mitchell and unanimously approved.

DEPARTMENTAL MATTERS: CONVENTION CENTER – ASSISTANT DIRECTOR’S INTRODUCTION

Assistant County Manager, Gene Hodges, introduced Robert Watson as the new Assistant Convention Center Director. Joining the team in April, Mr. Watson is a 24-year hospitality veteran with a wealth of experience in event planning. He is a Certified Meeting Professional and a member of the Event Service Professionals Association.

He expressed that Mr. Watson is excited to work in Craven County and is eager to help continue to grow the investment the County has made in the Convention Center.

Mr. Watson commented that he is very excited to join the team and enjoys working with Convention Center Director, Tarshi McCoy, and interacting with citizens as they are visiting and exploring the option of using the convention center.

At 9:42 a.m. a five-minute break was taken.

FY 2021-2022 PROPOSED BUDGET PRESENTATION

County Manager, Jack Veit, presented the following proposed budget for FY 2021-2022.

Mr. Chairman and Members of the Board of Commissioners:

It is my privilege to present to you the recommended fiscal year 2022 budget for Craven County. As proposed, this budget incorporates the priorities and policy direction of the Board of Commissioners while continuing to provide the highest quality of services to the citizens of Craven County in the most fiscally responsible manner. The recommended general fund budget for fiscal year 2022 is \$120,828,123 without any fund balance appropriated and recommends that the ad valorem tax rate for fiscal year 2022 be set at 56.00 cents per \$100 of valuation. The current ad valorem tax rate of 54.94 cents has been maintained for the last two years and is no longer adequate to support the increasing demand on County services and the enhancements to school safety as we head into next fiscal year.

While there is no fund balance appropriated in the recommended budget, local governments are strongly encouraged to maintain adequate fund balances in order to ensure against unanticipated

events that could adversely affect the County's financial position and jeopardize the continuation of County services. As such, the County continues to budget and operate in a fiscally responsible manner which has provided a fund balance sufficient enough to accomplish this while also remaining consistent with that of our peers statewide. Craven County's available fund balance was 24% of expenditures at June 30, 2020, while other counties with over 100,000 in population had fund balances averaging 26.77% and all one hundred counties averaging 29.07%.

As we approach the new fiscal year, the County's financial position remains stable and the outlook on the local economy is positive as we enter the recovery phase of the COVID-19 pandemic. Revenues collected for the first ten months of the current fiscal year are \$9.6 million ahead of last year, while expenditures for the same period are approximately \$4.9 million more. While the pandemic produced a sharp decline in economic activity in the beginning of 2020, the recovery was much quicker than anticipated. Consumer activity rebounded at a rapid rate resulting in much higher sales tax revenue than expected.

As a result, sales tax collection for the year through April has been trending 8.3% higher than the same time last year. The County has also experienced higher than projected revenues from other sources including \$837,000 from the Medicaid-Sales Tax Hold Harmless distribution and approximately \$4.4 million in CARES Act funds that have also contributed to the County's enhanced revenue position. Expenditures and transfers out for the first ten months of fiscal year 2020 are higher in many of the functional areas including general government, public safety, and debt service. Some of these increases are one-time costs such as the County's response to the COVID-19 pandemic, while others are reoccurring such as four additional School Resource Officers added mid-year as the County prepares to take over the school safety program in most schools. The current fiscal year was also the first full year of annual debt service payments totaling \$935,000 for the Convention Center renovation and repair loan.

The County ended fiscal year 2020 in a strong financial position using only \$5,000 of the \$7.2 million appropriated from fund balance during the fiscal year. Higher than projected revenues along with the County's conservative approach to spending limited the use of fund balance. Although the County did not make a transfer into the Capital Reserve Fund during the fiscal year, approximately \$638,000 was used towards budgeted capital items and projects. Thus reducing the fund balance in the Capital Reserve Fund by approximately \$580,000 for the fiscal year ending June 30th, 2020. As the County has experienced over the past few years with Hurricane Florence and the COVID-19 Pandemic, funding of the Capital Reserve Fund when excess revenues or savings are realized continues to serve as an important part of the County's financial position. This provides for future needs while helping to prevent tax increases and borrowing costs to fund much needed capital items.

There are a variety of factors that has a significant impact on the proposed budget. The current assessed value for fiscal year 2022 is estimated to be \$10.01 billion which is a 1.11% increase over the estimate of \$9.9 billion used for the fiscal 2021 budget. The County has experienced modest growth in the tax base over the past year. The fiscal 2022 estimate projects an increase of

approximately \$113 million in value over the actual reported for the previous fiscal year. Most of the valuation lost to Hurricane Florence has been recovered and is reflected in the current projected valuation.

Total revenues and expenditures each amount to \$120,828,123 in the recommended budget for fiscal 2022. This represents a decrease of \$4.4 million or 3.5% compared to the current budget of \$125,180,728 through the end of April 2021. Although still very much a factor, most of the decrease is attributed to budgeting less towards the COVID-19 response as the rate of infections and demand for the vaccine are trending downward in the County and around the State. Property tax revenues are budgeted at a 2.6% increase while sales tax revenues are budgeted at a 22% increase over last fiscal year's budgeted amounts. The reason for the increase in sales tax revenue was due to the methodology applied last year as the budget was developed during unprecedented times at the onset of the pandemic with very little to no historical data to base revenue projections. Sales tax collections have outperformed the expectations of many economic forecasts as consumers spent more on taxable goods during the pandemic. Additionally, strong sales tax collections were assisted by the prior implementation and requirement for online marketplaces to collect and remit sales tax on purchases. Overall, the amount budgeted for sales tax next fiscal year estimates a 3% increase on the last twelve months of actual receipts as strong consumer spending is expected to continue in the County.

Transfers into the General Fund from the Capital Reserve Fund are down approximately \$979,000 from the current budget. Capital expenditures and major repair projects were closely examined and only as a result of the Capital Reserve Fund, many were able to be funded. Overall capital outlay costs are down approximately \$2.6 million compared to the current budget. Out of the total \$3.9 million capital expenditures budgeted for fiscal year 2022, \$1.9 million is funded with transfers from the Capital Reserve Fund. The majority of capital expenditures funded in this budget include the maintenance and replacement of vital infrastructure in the areas of technology and facility improvements.

In addition to the capital items funded in this budget, the County is planning for several major projects heading into next fiscal year. One of these is the continuation of the County's Enterprise Resource Planning (ERP) software replacement project. With the accounting module completed in fiscal year 2019, and the payroll/human resources module completed in fiscal year 2021, resources will be allocated in fiscal year 2022 towards implementing the cashiering system along with the utility billing and permitting modules. Phase two of the ERP project included the replacement of the County's tax system. Both the property tax collections and billing modules were implemented last fiscal year leaving only the real estate appraisal component to be completed. The completion date for the appraisal module is targeted for late 2021 and will be used to complete the next countywide revaluation. Craven County's Hurricane Florence recovery efforts will continue into next year with the restoration of the Courthouse buildings, elevation of Lawson Creek Pump Station, and the repair and replacement of the water system's telemetry communication infrastructure with fiber.

All three of these projects are in the final stages of planning with the final funding determinations being negotiated with FEMA. Other major projects programmed into the fiscal year 2022 budget include expanding utility infrastructure in our Industrial Park, performing HVAC control upgrades throughout our court facilities, and addressing structural and air handler issues at the New Bern Library.

Total salaries and benefits in the recommended budget are \$3.4 million higher than the current budget. Of this increase, approximately \$780,000 includes a full year of the two percent cost of living that was not funded in the original fiscal 2021 budget due to the pandemic but later approved at December's mid-year budget work session. Additionally, \$341,000 was added to the budget for positions added mid-year. Those include; four School Resource Officers, two Deputy Sheriff Patrol, and the reclassification of the Roadside Litter Foreman from a part-time position to full-time in the Solid Waste Department. The fiscal 2022 budget continues the County's investment in its greatest asset by recommending a two percent cost of living increase for employees. This accounts for both increases resulting from inflation while also maintaining the competitiveness of Craven County in the current labor market. Recommended in the fiscal 2022 budget are a total of 18 new full-time positions and they are; a Payroll Technician III, a HVAC Maintenance Technician, a Sheriff Administrative Support Assistant III, six additional School Resource Officers, two Deputy Sheriff Patrol, a Telecommunicator I, a Mobility Manager in CARTS, one Social Worker I, two Social Worker III's, and a new Water Field Tech in the Water Department.

Total benefit costs are budgeted at approximately \$1.4 million higher than the current budget due to increases in the County's health and dental premiums and the retirement system rates. So far this year, health and dental claims have been running slightly below last year's levels, however, the budget includes a five percent increase to both County and employee premiums and accounts for \$504,000 of the total increase to benefit costs. For the third year in a row, the retirement system employer contribution rates were increased in the budget by 1.2%. This accounts for \$588,000 of the total increase in benefit costs and is the rate established under the retirement system's Employer Contribution Rate Stabilization Policy which is anticipated to remain the same through fiscal 2022. At this time Craven County has not been notified if any increases will be needed for fiscal year 2023 and beyond.

Overall current expense funding for Craven County Schools is recommended to remain flat at \$22,189,991 per the Board of Education's request, and continues the County's investment and support for our local school system. Craven County Schools faces complex and varied budget challenges similar to Craven County. While the recommended funding amount continues Craven County's financial commitment to the school system, there continues to be long term issues that will need to be addressed in future budgets. As revenues from federal and state sources tied to enrollment numbers continue to decline, the cost to operate and maintain aging school facilities does not. This issue will be ongoing and will likely need to be addressed over the next several budget cycles. Forecasted enrollment numbers by Craven County Schools continue to show a decline in enrollment trends that will continue over the next 4 years in all grade levels. The current

budget request maintains retirement system contributions at 21.68%, health care premiums at \$6,326 per employee, and the local supplement at 10.0%. Capital outlay requested is \$1,958,000, a reduction of \$37,000 from the current year's budget and includes no category 1 projects over \$100,000. There are various repairs and enhancements throughout the school system including boiler and chiller repairs, intercom upgrades, gym bleacher repairs, and renovation of the culinary arts room at West Craven High School. Also included in the Capital Outlay amount requested is \$900,000 which continues the funding for the systems Apple iPad lease agreement.

The proposed budget funds Craven Community College's requested current expense at \$4,101,425 which represents an increase of \$172,125 over the current year. Part of this increase includes \$28,733 towards additional personnel cost for salaries, retirement, and health benefits. The current expense budget also includes an increase due to the Volt Center Expansion including the new Law Enforcement Simulator, Diesel and Heavy Equipment Programs expansion, and Small Business Center. Capital Outlay for the college was budgeted at the previously agreed upon baseline allocation of \$500,000. Projects planned for this year include renovations to the lab floor in the Bosch Advanced Manufacturing building, HVAC upgrades at the Bender and Perdue Buildings, chiller replacement at Kelso Hall, and miscellaneous roof, parking lot, sidewalk, and road repairs.

The proposed fiscal year 2022 budget provides balance and fiscal responsibility in addressing the many needs across the County while continuing to maintain the lowest tax rate possible for the citizens of Craven County. Craven County values the competitive edge maintaining a low tax rate offers in areas such as economic development and retirement relocations. As always, there is still the possibility that the General Assembly may take actions that could affect the County budget. We will continue to monitor for those potential impacts however I believe Craven County continues to be well positioned fiscally to address any challenges that may come forward.

I wish to commend the Department Heads, staff and agencies for their cooperation and valuable assistance in this very difficult budget process. I would also like to thank our Finance Director Craig Warren, Assistant County Manager Gene Hodges, Human Resources Director Amber Parker, and Budget Analyst Sarah Williams for their essential contributions in developing this budget. I look forward to working with the Board of Commissioners in finalizing the fiscal year 2022 budget. The recommended budget shall immediately be available for public inspection in the Manager's office and posted on the County website. I recommend the Board schedule a public hearing at 7:00 p.m. on June 7, 2021 and conduct budget work sessions as required.

Commissioner Liner motioned to set the FY21-22 Budget Public Hearing for June 7th at 7:00 p.m., or as soon thereafter. His motion was seconded by Commissioner Smith and approved unanimously.

APPOINTMENTS

Pending

Chairman Jones reviewed the following pending appointments and asked if there were any nominees.

- Adult Care Home Advisory Committee
- Community Child Protection Team
- Coastal Regional Solid Waste Management Authority (CRSWMA)
- Craven/Pamlico Regional Library
- Local Emergency Planning Committee
- Nursing Home Advisory Committee
- Regional Aging Advisory Board
- Voluntary Agriculture District Advisory Board

Commissioner Liner stated that he has been in conversation with Clayton Gaskins regarding appointments to the Regional Advisory Board.

Current

Emergency Medical Services Advisory Council

It was the consensus of the Board to defer this appointment.

Juvenile Crime Prevention Council

Sheriff Chip Hughes was reappointed by acclamation.

Fire Tax Commissioners

Chairman Jones nominated John Hawkins for reappointment. There being no additional nominations, Mr. Hawkins was reappointed by acclamation.

Craven County Clean Sweep

Commissioner Mitchell nominated Michael Duffy for reappointment. There being no additional nominations, Mr. Duffy was reappointed by acclamation.

Down East Regional Planning Organization (DERPO)

Chairman Jones nominated Dred Mitchell for reappointment. There being no additional nominations, Mr. Mitchell was reappointed by acclamation.

Upcoming

Chairman Jones reviewed the upcoming appointments.

**COUNTY ATTORNEY'S REPORT: INITIAL OFFER TO PURCHASE REAL
PROPERTY – MILL AVE., (PARCEL NUMBER 1-V-08-010)**

County Attorney, Arey Grady, announced that Craven County has received an offer in the amount of \$1,500.00 for this real property, which was acquired through a tax foreclosure, with past due taxes and costs of foreclosure totaling \$1,487.25. The tax value of this property is \$3,750.00.

He stated that should the Board of Commissioners approve this transaction, a resolution should be adopted, which will in turn authorize advertisement for upset bids. Once the upset bid process is concluded, this transaction will be brought back before the Board of Commissioners for final approval.

Commissioner Liner motioned to adopt the following resolution approving the transaction and authorizing the upset bid process, seconded by Commissioner Mitchell and approved unanimously.

CRAVEN COUNTY
RESOLUTION ACCEPTING OFFER TO PURCHASE
SUBJECT TO UPSET BIDS

WHEREAS, Craven County owns certain real property identified as Tax Parcel Number 1—V-08-010 (hereinafter “the Real Property”), the Real Property having been acquired by Craven County in deed recorded in Book 3294, Page 512 in the Office of the Register of Deeds of Craven County; and,

WHEREAS, Craven County has received an Offer to Purchase the Real Property, a copy of said offer being attached hereto and incorporated herein by reference; and,

WHEREAS, the Craven County Board of Commissioners is authorized to sell Craven County’s interest in real property pursuant to North Carolina General Statute §160A-269.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CRAVEN COUNTY THAT:

1. The Craven County Board of Commissioners hereby authorizes the initiation of the upset bid process for the Real Property by advertising notice of the offer to purchase in accordance with the provisions of North Carolina General Statute §160A-269.

2. The County Manager, the Assistant County Manager, the Clerk to the Board of Commissioners and/or County Attorney are authorized to take all actions necessary to accomplish the transactions contemplated by this Resolution.

ADOPTED THIS 17th DAY OF MAY, 2021.

COMMISSIONERS’ REPORTS

Commissioner Mark commented on his recent attendance at the Hospital Board meeting and is pleased that citizens will be able to have specialists come to New Bern versus having to travel to Raleigh.

Commissioner Liner had nothing to report.

Commissioner Mitchell relayed that she met with the new City of New Bern Police Chief last week and likes his vision and will help introduce him into the community. She announced that the Secretary of the Department of Military Affairs will be at Cherry Point on Thursday, May 20th and stated that she will be in attendance.

Commissioner Smith had nothing to report.

Commissioner McCabe extended an invitation to an Open House and ribbon cutting ceremony on Friday, May 21st for the Veteran Employee Base Camp at 1235 Pollock Street from 11 a.m. until 2:00 p.m. All citizens interested in attending can contact 252-617-2848.

Commissioner Bucher had nothing to report.

Chairman Jones had nothing to report.

At 10:15 a.m. Commissioner Jones stated the meeting was recessed to reconvene in fifteen minutes in the same room for a FY21-22 Budget Work Session.

Chairman Jason R. Jones
 Craven County Board of Commissioners

Nan Holton
 Clerk to the Board