

**RECESSED BUDGET SESSION OF THE PAMLICO COUNTY
COMMISSIONERS
MONDAY MAY 3, 2010
1:00 P.M.**

The Pamlico County Board of Commissioners met in recessed budget session on Monday May 3, 2010 at 1:00 p.m. in the Patsy H. Sadler Room of the Pamlico County Courthouse. All Commissioners were present with exception of Commissioner Carl Ollison. Also present were County Manager Tim Buck, Interim Finance Officer Mary Jane Westphal and Clerk to the Board Kathy P. Cayton.

Chairman Paul Delamar called the meeting to order and turned it over to County Manager Tim Buck.

County Manager Buck said the Department Heads had entered a 3% expenditure reduction into their budgets. Preliminary budget numbers have been received from the school system and the community college and have been entered into the budget and the numbers are as follows:

- Revenues \$14,791,675
- Expenditures \$17,437,349

Budget Shortfall \$ 2,645,674

County Manager Buck gave the major changes in revenues and expenses.

Revenue Reductions

Fund Balance Appropriation	- \$500,000
Sales Tax	- \$453,860
Jail Bed Revenue	-\$450,000
Interest Earned	-\$120,000
Restricted Health	-\$ 50,000
Permits and Fees	-\$ 25,000

Expenditure Increases

Community College (Capital Only)	-\$485,000
Public Schools	-\$149,000
Capital Requests	-\$140,000
Retirement Increase (30%)	-\$ 80,000
Health Insurance Increase (7%)	-\$ 65,000
Public Library	<u>-\$ 25,000</u>
Total	-\$2,542,860

County Manager Buck gave the following solutions to minimize the shortfall.

1. Voluntary Retirement Program

- Five (5) employees would currently qualify for this program
- Total cost savings (before incentives) would be \$206,095
- The incentive is proposed as a lump sum percent of salary

2. Voluntary Reduction of Work Hours

The reduced hours work week option would be as follows:

- 24 hours per week
- 30 hours per week
- 32 hours per week

The employee will be paid at the reduced hours instead of the normal work week of 40 hours and will have to submit a signed Program Election and Release Form with a schedule approved by their department head. The employees will have to agree to work this schedule for the fiscal year beginning July 1, 2010-June 30, 2011. Employees electing to participate will continue to accrue vacation leave and sick leave at the rate of a normal 40 hour week. Eligibility for benefits will not be affected if employee elects reduced hours. Salary driven benefits such as longevity and retirement plan would decrease to new annualized salary. Holiday pay will be paid as defined by the County's Personnel Policy.

Board Members agreed this would be a good idea.

County Manager Tim Buck informed Board Members that Mr. Skip Lee, Building Inspector is recommending an increase of the fee for building permits by adding a flat rate of \$40.00. He based his recommendations on the fee schedule used by Carteret County. I have included the County's current fee schedule and fee schedules from our three (3) surrounding counties. Additional revenues are estimated at \$20,000 if you estimate 50 permits that equal \$2,000 per month. Mr. Lee is also recommending the addition of a \$40.00 for fire inspections. This would generate an addition \$4,000 in revenue.

Board Members discussed water rates. The current rate is \$7.50 flat rate per customer and \$2.80 per 1000 gallons. The last time the rates were adjusted was in 1993 and currently it is cost approximately \$3.73 per 1,000 gallons to produce water

On a motion made by Commissioner Christine Mele and seconded by Commissioner Kenny Heath, the following resolution was unanimously approved.

BE IT RESOLVED, the County Manager is hereby directed to supply the Board of Commissioners a plan for a water rate increase.

There being no further business on a motion made by Commissioner Roy Brinson and seconded by Commissioner Jimmy Spain, the Board agreed to adjourn until Monday 3, 2010 at 7:00 p.m.

Chairman

Clerk to the Board