

BUDGET WORK SESSION
JUNE 8, 2015

The Pender County Board of Commissioners met in Budget Work Session with County Departments on Monday, June 8, 2015 at the Pender County Public Assembly Room, 805 S. Walker Street, Burgaw, North Carolina.

In attendance were: Chairman David Williams; Vice-Chairman George Brown; Commissioners Fred McCoy, David Piepmeyer, and Demetrice Keith; Randell Woodruff, County Manager and Clerk to the Board; Trey Thurman, County Attorney; Melissa Pedersen, Deputy Clerk to the Board; Sylvia Blinson, Interim Finance Director; and other members of the press and public.

Chairman Williams called the Work Session to order at 6:06 p.m.

Discussion ensued regarding the conference call that took place between Mr. Woodruff, Ms. Blinson, and Ted Cole with Davenport and Company regarding tax rates and the School Bonds. Mr. Woodruff explained the way that the debt is structured to include a temporary tax increase in 2020 due to growth and operational costs of the new schools. Mr. Woodruff also stated that Ted Cole is available to meet with Board members to answer any questions on debt service.

Mr. Williams talked about past mistakes with tax increases. He referenced a time when there should have been an increase and the Board at the time decided to help the tax payers and not increase taxes. He stated that is one mistake the Board should have never made, but they did. Mr. Williams also included that the LGC will require Pender County to raise taxes to cover the debt in order to be issued the school bonds. During discussions on tax rate options, Mr. Woodruff mentioned that Pender County is in a unique situation in regards to the size county, population, and unincorporated areas. The Board is going to set up meetings with Mr. Cole and various Commissioners to answer questions.

At 6:21, Discussion ensued regarding a quarter cent sales tax increase. Mr. Woodruff stated that Senator Brown of Onslow County has introduced Senate Bill 369 and that if it were to be passed, the County could impose a quarter cent sales tax without a referendum and it would be for the schools. Mr. Woodruff stated that you would have to meet certain qualifications, but he thinks Pender County would qualify. Mr. Woodruff added that if the Board had the authority to conduct a referendum for a quarter cent sales tax, it would take place in 2016. He also stated that if passed, Pender County could collect an added \$800,000.00.

At 6:32, Mr. Williams asked for any further discussion regarding any budget items. Mr. Piepmeyer asked about Longevity and what it costs Pender County. Mr. Woodruff stated that Longevity is roughly \$265,000.00 per year for Pender County and that most counties have already done away with Longevity due to the economy. Other benefits were discussed such as insurance, pensions, and extra holidays in an effort to highlight the incentives that Pender County does offer.

At 6:35, discussion ensued regarding reclassification of positions in Pender County. Ms. Mulhollen reviewed the requested positions and what was recommended highlighting the changes that have been made.

At 6:51, Mr. Williams began discussion regarding purchasing property at the end of Lewis Road in Hampstead. He stated that he has been working the last year with Mr. David Proper of the Conservation Fund. He stated that he has already spoken with Wildlife about a parking lot, restrooms, and a fishing pier. He stated that Wildlife cannot purchase property but the County could do so and partner with Wildlife. Mr. Williams stated that the property appraises for \$1.32 Million Dollars. He explained that the Conservation Fund would acquire the

property and then Pender County would make four payments which would be \$150k July 2015, \$250K July 2016, \$450K July 2017, and \$450K July 2018. He stated that the County is not obligated to move forward and moving forward is subject to Board approval. Mr. Williams then talked regarding the benefits of purchasing this property and where the money could come from to pay for the property. After lengthy discussion, Mr. Williams stated that this property value is only going to go up and moved back to the Budget discussions.

At 7:10, discussion ensued about schools Bonds and where the Board should proceed. Also discussed was where else Pender County could cut other than the Bonds to save on the tax rate as well as Pender County's credit rating.

To close the meeting, Mr. Woodruff stated that he hopes the Board will be in a position to adopt the Budget on June 22, 2015 at their regular meeting.

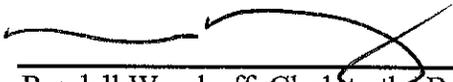
Mr. Williams asked if anyone had anything else to discuss. There being no further discussion, the Budget Work Session adjourned at 7:19 p.m.

Respectfully Submitted,



Melissa Pedersen, Deputy Clerk to the Board

Reviewed By:



Randell Woodruff, Clerk to the Board