



County of Dare

P.O. Box 1000 | Manteo, NC 27954

MINUTES
DARE COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING

To conduct a workshop on the upcoming fiscal year budget and take such action that may come before the Board of Commissioners

Dare County Administration Building, Manteo, NC

11:00 a.m., May 3, 2021

Commissioners present: Chairman Robert Woodard, Sr., Vice-Chairman Wally Overman, Commissioners Rob Ross (phone-in connection), Steve House, Jim Tobin, Danny Couch and Ervin Bateman

Commissioners absent: None

Others present: County Manager/Attorney, Robert Outten
Deputy County Manager/Finance Director, David Clawson
Master Public Information Officer, Dorothy Hester
Clerk to the Board, Cheryl C. Anby
Jessica Everett, Mary Helen Goodloe-Murphy and Scott Garber

At 11:03 a.m. Chairman Woodard called to order the Special Meeting with appropriate prior public notice having been given.

ITEM 1: PROPOSED BUDGET – Recommended Uses of June 30, 2020 Unassigned Fund Balance Over Policy Target:

County Manager Outten reviewed the agenda and thanked Dave Clawson, Sally DeFosse and the Finance Department for all of their hard work on the budgets. There were no tax increases on either budget year. As to sanitation, however, he explained how the county had been spending down the fund balance to avoid raising the fees and costs were rising.

He began with the Recommended Uses of June 30, 2020 Unassigned Fund Balance over Policy Target. These included FY22 and FY23 budget requests, March 2021 Board retreat items, County Manager suggested items which needed attention and “one-time items” which totaled \$5,105,499. Mr. Outten reviewed each line item in detail. In particular he explained the \$2,481,512 for LEOSSA Trust. The Law Enforcement Officers’ Special Separation Allowance was a mandated payment to retired police officers from the time of their retirement to when they reach age 60. The deposit of the funds into a trust would allow payment over time, as required, and become self-sustaining moving forward.

Mr. Outten moved on to review the General Fund Balance sheet (page 11 in the Budget Workshop booklet). The unassigned fund balance was reported as 26.80% for FY19, 26.94% for FY20 and 27.41% for FY21, which was well above the policy of a minimum 21%.

General Fund Budget Manager's FY22 and FY23 (page 12) was reviewed next. The County Manager reiterated there was no tax increases proposed. In the 2023 budget there was still some work to do with projected revenues and more cutting to do there. He reviewed the 2021, 2022 and 2023 original budgets, amended budgets and Manager's recommended budget figures. Mr. Outten noted the expense drivers for the 2022 budget were 21 and 22 COLAs, the 22 merit pay, restoring full transfer to the Capital Improvement Fund, the EMS staffing plan and the growth of the Dare County school expenses. Page 13 of the budget handout reflected the same categories with a breakdown of each specific fund. Mr. Outten presented the tax rate recommendations to increase the Sanitation Fund tax rate from 8.86¢ to 9.0¢ in 2022 and from 9.0¢ cents to 9.25¢ in 2023. The Insurance Fund in 2021 projected a surplus of \$500,000. There would be no health plan increase for 2022 and an anticipated 5% health plan increase for 2023. General Fund (#10) reflected the departmental change request summary (pages 14-17).

The group discussed current Commissioners' salaries as they compare to other area counties. It was determined Dare County was on the low end with the last change made in 2007. It was proposed to align the salaries with Currituck County.

RECESS: 12:57 p.m. – RECONVENE 1:09 p.m.

The County Manager resumed the review of the departmental line item requests. He advised there would be the inclusion of another fire inspector position to assist and ease the length of time on permits on the budget to be presented. Other line items discussed were the replacement of the screens, sound systems and software for the EOC. The County Manager advised the Board that Brent Johnson would be leaving. Dustin Peele had been promoted to fill the position as project manager. It was anticipated someone would be hired to manage the waterways department and a "grant writer" for all departments, especially waterways and the health department to help assure all grant opportunities were explored. The group discussed the reinstatement of the dental program and funds were budgeted for FY23 to hire a dentist for the mobile program.

At Commissioner Bateman's request, Mr. Outten explained the issue with the changing times of operation for Parks and Recreation facilities in the summer. With the majority of participants outdoors, there was no assignment of staff for evening operation. Mr. Garber, as a pickleball advocate, expressed the desire for availability of courts, both indoors and outdoors, for the sport. Mr. Outten noted it would be difficult to fairly expand services and maintain budget considerations. The group discussed and there would be further discussion with the Director of Parks and Rec for some equitable scheduling of current outdoor courts to include pickleball.

Mr. Outten advised a COLA and merit pay for County staff would continue through the proposed budget. He further explained the majority of the \$1,767,573 increase to the 2021 budget was driven due to increases in basic expenses. The revenue projections were conservatively estimated with 2019 figures and not 2021 estimates. There was a deliberate

non-comparison with 2020 revenues. He explained the Finance Director used various data points, to include Wells Fargo, when creating budget/revenue projections for both long and short term models.

Commissioner Tobin asked that a generator for Manns Harbor be included in the budget. It could be added to the one-time items in the amount of approximately \$50,000.00. The group discussed the need and agreed to add to the one-time expense list.

ITEM 2 – PROPOSED CIP - 2022 Recommended Capital Improvements Plan/Capital Investment Fund Model

County Manager said the good news was with increased revenues the County could do just about everything that had been requested. Debt Service Coverage ratios were very good. Dave Clawson reviewed the Changes to Requested Last Approved CIP/CIF Model. To reduce on-going maintenance costs on aging equipment, several pieces of sanitation equipment and vehicles would be financed for fifty-nine months all at once. The Justice Center was shown to have a roof replacement which would also act as collateral for beach nourishment debt. The School Board Capital Improvement Plan was outlined on pages 6-8.

In closing the review, Chairman Woodard brought to the attention of the group the need to review the County's parks and recreation facilities. It was agreed many needed upgrades, refurbishing and improvement over the long-term with a professional review of the facilities. County Manager explained there would be an RFP to secure a County architect/contractor and surveyor so professional estimations could be easily obtained for this and other concerns. He would follow-up with an update and recommendations.

ITEM 3 – AFFORDABLE HOUSING

The group moved on to affordable housing and in particular a proposed plan entitled, "Bowsertown", which would offer one, two and three-bedroom units with income limits and require County contribution of subsidy and land. UNC DFI was reviewing the financial details. The group discussed other options and proposals, whose details were not yet fully known at the time of the retreat. Chairman Woodard referred to the problem as a "three legged stool" with workforce housing, essential housing and Section 8 housing all critically important to address. The group agreed an RFP should be advertised for all housing project offers with a specific thirty-day submission deadline for consideration.

ITEM 4 – OPIOID SETTLEMENT

Mr. Outten addressed the Board with an update on the imminent settlement of the opioid litigation. There would be billions paid out with a formula to compute how much each state would receive. The North Carolina portion would be split among the counties, cities and towns that had joined the lawsuit. The North Carolina Association of County Commissioners had formed the "555 Committee" which was comprised of five county commissioners, five county attorneys and five county managers. Mr. Outten was one of the county managers on the committee. He advised the county share would be based upon opioid statistics and the national settlement would determine the share. Eighty percent of the state settlement would go to the counties in a special fund that could only be used for opioid related matters. Opioid Fund A was for certain types of abatement efforts and treatment. Fund B could be used for a broader spectrum with engagement and collaboration with another entity. Fifteen percent would go to the state for opioid abatement on policies and plans. Five percent would go into

a fund managed by appointees of the legislature. The settlement would be paid out over an eighteen-year period. The NC Memorandum of Agreement (MOA) would have to be approved by all counties and cities with populations greater than 30,000. The County Manager opined the MOA was a good agreement which had taken a year to draft. He asked the Board to read the full agreement and he would be requesting their approval at the next board meeting. A FAQ was provided with the MOA proposed final draft.

At 3:41 p.m., the Board of Commissioners adjourned the Budget Workshop.

Respectfully submitted,



By: Cheryl C. Anby
Cheryl C. Anby, Clerk to the Board

APPROVED: Robert Woodard, Sr.
Robert Woodard, Sr., Chairman
Dare County Board of Commissioners

Note: Copies of attachments and supporting material considered by the Board of Commissioners at this meeting are on file in the office of the Clerk to Board.