

Meeting of the Johnston County Board of Commissioners

June 15, 2005 *Special - Budget Work Session*

The Johnston County Board of Commissioners met in special session Wednesday, June 15, 2005, at 6:00 p.m. in the Commissioners' Meeting Room, Johnston County Courthouse Annex, Smithfield, North Carolina. The following members were present:

Present: Cookie Pope, Chairman, Wade M. Stewart, Vice Chairman, Allen L. Mims, Jr., Jeffrey P. Carver, W. Ray Woodall, DeVan Barbour and Tony Braswell.

Absent: None

Also Present: Rick J. Hester, County Manager, April N. Byrd, Clerk to the Board, John R. Massey, Finance Officer, J. Mark Payne, County Attorney and Deva C. Holt, Deputy Clerk.

The Chairman called the meeting to order and announced the purpose of the meeting is to hear from the public on the proposed 2005-06 County budget.

1. EMS Advisory Committee

Dewayne West, Director of Emergency Services, provided a brief report to the Board on the FY 05-06 funding recommendations from the EMS Advisory Committee. The EMS Advisory Committee met on May 10, 2005, and recommended increasing the appropriation for EMS providers to \$195,000 per year for each provider in the county. He noted the current stipend is \$185,500 per provider. The Committee also recommended a billing rate adjustment to close the gap between the rate charged and Medicaid and Medicare rates, and put the County more in line with surrounding counties. Further, the Committee met June 14, 2005 to finalize discussions regarding the two current substations, one at Overshot and one in the North Johnston area, and a proposed substation in the Corinth Holders area. The Committee recommended appropriations of \$171,000 for each substation.

In response to a question from Commissioner Wade M. Stewart, Mr. West stated the tentative start-up date for the paramedic unit at North Johnston is July 11th. Prior to the Corinth Holder substation beginning operation, the Board is required to hold a public hearing to discuss refranchising the EMS district for the area. Wendell-Zebulon and Eastern Wake EMS units will continue to serve the area until the transition is made. The tentative date for this transition is mid-July to early August.

2. Hocutt Ellington Memorial Library

Belle Allen, representing the Hocutt Ellington Memorial Library, addressed the Board and requested a \$25,000 appropriation to be used for the proposed addition to their library. The anticipated need for the expansion is \$300,000, and the Board of Trustees and others are currently raising money for the project. She emphasized the library is a great facility that offers internet and computer services to the citizens of Johnston County, and special programs for children. The expansion would provide a multi-purpose room next to the existing Children's Room to accommodate the growing number of patrons using the library. Ms. Allen noted the County Manager's proposed budget includes a \$10,000 appropriation, however, she asked the Board to reconsider the \$25,000 request, possibly allocating \$10,000 for fiscal year 05-06 and additional funds in the following fiscal year.

3. Fire Tax Requests

Corinth Holder Fire Department

Darrell Alford, Corinth Holders Fire Department Chief, requested the Board consider the department's request to increase the fire district tax rate from the current seven and ½ cents to ten cents, with the stipulation the rate would be reduced to eight cents after two years. He noted the department has agreed to house the proposed EMS substation in the Corinth Holders area. As the fire department and new EMS unit grow, the current temporary housing would become unsuitable for both parties. The facility the department currently uses includes a building to house the fire trucks and a separate Administration building; the two buildings are side-by-side on Lake Wendell Road. The truck building was built in the late 60's/early 70's, and is in need of renovations. Mr. Alford stated the revenues received from the two and ½ cents increase would allow the department to build an adequate bay area for the fire units, one dedicated bay to house two EMS units, and a residential/business area for EMS on the opposite side of the fire administration building. He emphasized

June 15, 2005 (Continued)

if the Board chose not to approve the requested increase, the EMS unit would be asking for additional funding for a new site and facility.

Kenneth Nowle, resident of the Corinth Holder District, expressed his support of the requested increase. He stated the community trust that the department would use the funds wisely, and urged the Board to do the same.

Thanksgiving Fire Department

Jim Smith, Thanksgiving Fire Department, requested the Board consider the department's request to increase the fire district tax rate from six cents to seven cents. The department began a first responder program in March, and the costs of the program has dramatically increased the department's expenses. He stated without the fire district tax increase the department fears it might have to drop the first responder program.

Smithfield Fire Department

Patrick Harris, Director of Emergency Services for the Town of Smithfield, stated, in response to Commissioner Stewart's request at the June 9th Board meeting, 12 cents of the 57 cents per \$100 property valuation in the Town of Smithfield goes toward fire protection. He reiterated the fire department's request to increase the tax rate for the Smithfield Rural Fire Tax District from eight cents to ten cents. Mr. Harris agreed with Commissioner Stewart that citizens living in the municipal portion of the district and those in the rural portion of the district should be treated fairly. He argued, at a minimum, the increase to 10 cents for the rural district would at least lessen the gap.

4. Johnston County Arts Council

Ginny Smith, President of the Johnston County Arts Council, informed the Board the "Artists In the Schools Program" provided by the Johnston County Arts Council awarded 38 grants to schools in the county this past year. During 2004-05, the organization hosted 151 events, 166 days, and 57 artists. Also, the organization shifted from strictly volunteer based to now having an executive director. Ms. Smith provided the Board with a comparison of local government funding to similar programs throughout NC, and pointed out Johnston County ranks low in the amount allocated per capita, for similarly populated counties. She noted the organization will not be receiving the salary assistance from the State Art Council, as they have provided in past years. The funding is for new organizations, and only last three years. Ms. Smith thanked the Board for their support over the past several years, and asked the Commissioners consider the Johnston County Arts Council request for support during the 05-06 fiscal year.

5. Sheriff's Department

Sheriff Steve Bizzell requested the Board approve a total of four deputy positions, two for the Criminal Investigations Division and two for the Narcotics Division. He emphasized he was not asking for vehicles and related equipment needed for the positions; these expenses would be covered from drug seizure funds. He noted the County Manager recommended two positions in the proposed budget, however, Sheriff Bizzell asked the Board to reconsider the request for four positions.

Dr. Leonard Woodall, Health Director, briefly informed the Board the nurse for the jail will be retiring soon, and there is an urgent need to fill the position as quickly as possible. He stressed having a nurse in-house cuts down on emergency room costs for jail inmates.

6. Special Olympics

Jackie Kozell, Interim Director of Special Olympics, reiterated the organization's request made at the June 6, 2005 Board of Commissioners meeting for appropriations for 05-06. She stated the organization hopes to continue to provide the current sports offered, and also add three new sports, down hill skiing, aquatics, and volleyball. Currently, the organization is trying to improve its outreach program to better serve the community.

In response to questions from the Board, Ms. Kozell stated Special Olympics in Johnston County served 604 athletes involved in 13 sports during 2003-04, and the organization participates in fundraisers to assist with its expenses. She anticipated the program will continue to grow and reach special athletes throughout the county.

June 15, 2005 (Continued)

Others that spoke in support of Special Olympics were Esther Garner , teacher in Johnston County and Special Olympics volunteer since 1983, and Rose Walker, coach and parent of Special Olympics athlete.

7. Re-Entry - HALT Program

Dot Ehlers, Executive Director of the 11th Judicial District Re-Entry Program, repeated the organization's request made at the June 6th and June 9th Board meetings for a \$100,000 appropriation to the HALT Program.

Joy Jones, Criminal Defense Attorney, emphasized HALT is the only certified program in Johnston County that provides domestic violence and substance abuse services. She stated, unfortunately, the State has decided not to provide funding for HALT in 05-06, and requested the Board's support to ensure the program continues to assist Johnston County citizens.

Gail Garcia, former victim of domestic violence, expressed support for the HALT program, and urged the Board to assist in the continuance of these services to the citizens of Johnston County.

In response to a question from Commissioner Allen L. Mims, Jr., Ms. Ehlers estimated it would cost \$125,000 to operate the program in 05-06. Client fees would generate approximately \$51,000. Currently, the program has \$18,000-20,000 in grant funds to cover expenses until late August-early September. At that point, Ms. Ehlers stated there would be substantial downsizing or a complete elimination of the HALT program.

8. Planning & Inspections Department

Steven Finn, Director of Planning and Inspections, addressed the Board in support of the County Manager's proposed budget. He thanked the Board for their continued support of county departments and employees.

Brad Schulz, Planning Board Member, applauded the Planning staff for their hard work and commitment to manage increasingly sophisticated planning issues. He encouraged the Board to approve one additional position for the Planning Department, and expressed support for the Sheriff's request for four deputy positions.

9. ARC of Johnston County

Joy Jones spoke to the Board on behalf of ARC of Johnston County. She stated ARC is a wonderful organization that provides social opportunities, sporting events, parent workshops, support groups, and much more to intellectually challenged individuals and their families.

Dale Bender, ARC Director, noted the organization also provides transportation and housing programs to its participants. She emphasized the program reaches out to the entire family, not just the intellectually challenged individual. The organization is in the early stages of building a repaire with the school system, parks and recreation departments, and the community.

10. Personal Statement and Adoption of 2005-06 County Budget

Commissioner Jeffrey P. Carver read the following statement, followed by his motion to adopt the 2005-06 County budget:

Truly, this is an exciting time in the history of Johnston County. We have many challenges and opportunities ahead of us, but we are committed to meeting those challenges. This board has stated many times that our three top policy priorities are supporting education, providing public safety and assisting with job creation. We are meeting those challenges within the dollars that we have available to us. We realize and understand that the revenues that we budget are not county funds, but they are monies provided by the taxpayers. Therefore, we must ensure that we use those funds in the most fiscally responsible fashion.

This budget represents a 13% increase in funding for Johnston County Schools. We realize that education is the key that can unlock the door for our children and grandchildren. In addition, we have one of the best community colleges in North Carolina. This budget reflects a 7% increase in funding for Johnston

June 15, 2005 (Continued)

Community College. They, like Johnston County Schools, partner with the county and other organizations to do great things. An example of that is the upcoming ribbon-cutting for the Johnston County Workforce Development Center located on Powhatan Road near Clayton.

Nothing is more important to us than public safety. We are blessed with the finest public safety officials in North Carolina. Sheriff Bizzell and his staff do a remarkable job of protecting lives and property. Our EMS squads and fire departments play such a vital role to our community, obviously they deserve our sincerest thanks and support. We have one of the finest 911 centers in the southeastern United States and will continue to provide the support needed.

Johnston County has led North Carolina in job creation in the past year. Not only do we work hard to recruit new businesses to our community, but more importantly, we are committed to helping existing Johnston County businesses grow as well. Clearly to the working families of Johnston County, nothing is more important than a paycheck. Not only does it provide income for that family, but it also multiplies several times throughout the business community through purchasing and sales tax proceeds.

The key to our future is to continue to plan ahead. We are doing that with a long range capital improvement plan that will allow us to continue to build and renovate schools, as well as prepare for other major capital needs in the county. This planning process is critical to maintain and enhance our bond rating. In the past 6 years, Johnston County has enjoyed two bond rating upgrades. The result was a major savings in interest expense. Last fall, we hosted the bond rating agencies for the first time and our finance committee will be meeting with them again next week. One aspect of our discussion will be the topic of unappropriated fund balance. Our target is to be in the 17% range to maintain or possibly improve our bond rating.

I'd like to close my statement with a thank you to county employees who do a great job every day serving our citizens. We appreciate their talents and hard work. With that said, I would propose the following:

Motion to Adopt the 2005-06 Budget

Commissioner Jeffrey P. Carver moved the Board adopt the 2005-06 County Budget as recommended by the County Manager, with the following adjustments:

- * Additional \$250,000 for Board of Education in current expense funding and a memorandum of understanding that the Board of Commissioners will fund ½ of the fiscal year 2005-06 utilities that exceed \$6.5 million with a cap on the county's participation at \$500,000. I would also ask that there be a formal energy plan developed for the school system and county government.
- * Add \$110,000 to Board of Education's capital outlay for handicapped ramps for mobile units, if necessary.
- * Provide \$4000/year to fourteen (14) first responder fire units = \$56,000.
- * Current fire tax rates will remain the same as FY 04-05, with an understanding we will look closely at that item next year.
- * Add \$100,000 to Johnston Community College capital outlay.
- * Cut the appropriation to the revaluation fund by \$125,000.
- * Add two additional deputies in Sheriff's Office = \$80,000.
- * Accept recommendation from EMS Advisory Board for funding of EMS program (\$330,000).
- * Provide \$10,000 for Special Olympics, and \$10,000 for ARC.
- * Add \$425,000 in wine tax revenue.
- * Increase investment income \$110,000.
- * Transfer \$29,000 from public buildings utilities to library budget.
- * Add \$30k to ABC beverage - new revenue.
- * Transfer \$75k from EMS part time salaries to EMS participation.
- * Approve 2 positions in Health Department that will be federally funded as long as federal funding lasts.
- * Approval of new septic tank permit fees, as recommended by the Board of Health, generating \$175,000 in revenue.
- * Approval of increase in new meter fees from \$170 to \$185 due to increases in costs.
- * Approval of one year extensions on FY 04-05 recreation grants to those who have requested extensions.

Commissioner W. Ray Woodall seconded the motion.

June 15, 2005 (Continued)

Discussion

Commissioner DeVan Barbour expressed concern regarding the proposed appropriation to the Board of Education to cover utilities expenses. He asked if the County should begin assisting with expenses before the utilities exceed \$6.5 million. Further, he questioned whether the Board of Education would have enough fund balance to cover the utilities cost, given the proposed motion would appropriate approximately \$42,100,000 compared to the Board of Education’s request of \$44,724,876. Mr. Barbour asked the Board to consider increasing the amount to \$7 million for utilities.

Commissioner Jeffrey P. Carver noted the utilities expense projection for fiscal year 04-05 is in the range of \$6.7-6.8 million; the \$6.5 million recommendation was attempting to come closer to the Board of Education’s budgeted amount.

Commissioner Barbour also further expressed concern regarding the number of fire departments that have requested increases to the fire district taxes in their respective areas. He noted the degree of requests have varied from very detailed to rather vague. Commissioner Barbour recommended, if the Board decides to hold the district taxes at the current rate, to look at the matter very closely in the upcoming year, and suggested a committee be formed for this purpose.

Commissioner Tony Braswell agreed with Mr. Barbour’s comments regarding the need for a committee to look into the matter in depth for the 06-07 budget. He also noted, in reference to the Pine Level Fire Tax District Commission’s request to reduce their rate by ½ cent, he supports the Commission’s position, and at the same time, respects the good job the fire department does serving the community.

Chairman Cookie Pope also voiced support to put together a committee to focus on the needs of the fire departments.

Commissioner Allen L. Mims, Jr. stated if the communities were willing to pay more in fire district taxes, then, hopefully, they will support fire department fundraisers in the upcoming year.

Vote

- Ayes: Commissioners Cookie Pope, Wade M. Stewart, Allen L. Mims, Jr., W. Ray Woodall, Jeffrey P. Carver, and Tony Braswell
- Nays: Commissioner DeVan Barbour.

The following budget ordinance for the fiscal year 2005-06 was adopted:

**BUDGET ORDINANCE FY 2005-2006
JOHNSTON COUNTY, NORTH CAROLINA**

BE IT ORDAINED by the Board of Commissioners of Johnston County, North Carolina:

SECTION I. BUDGET ADOPTION: There is hereby adopted the following Operating Budget for the County of Johnston for the Fiscal Year beginning July 1, 2005 and ending June 30, 2006; the same being adopted by fund and activity within each fund as listed.

GENERAL FUND:

EXPENDITURES:

GENERAL GOVERNMENT	\$11,480,152
PUBLIC SAFETY	\$18,418,948
PHYSICAL DEVELOPMENT	\$7,721,352
HUMAN SERVICES	\$35,124,718
EDUCATION	<u>\$68,545,868</u>
 TOTAL	 <u>\$141,291,038</u>

REVENUES:

CURRENT YEAR AD VALOREM TAX	\$74,275,400
SALES TAX	\$30,126,000

June 15, 2005 (Continued)

OTHER TAX REVENUES	\$2,099,000
STATE & FEDERAL	\$21,367,037
LICENSE, FEES, ETC.	\$8,534,431
INVESTMENT INCOME	\$560,000
TRANSFER FROM OTHER FUNDS	\$1,105,000
FUND BALANCE APPROPRIATED.	\$1,823,975
MENTAL HEALTH	<u>\$1,400,195</u>
TOTAL	<u>\$141,291,038</u>
TOURISM AUTHORITY:	
EXPENDITURES	<u>\$621,900</u>
REVENUES:	
3% OCCUPANCY TAX	\$597,600
INTEREST INCOME	\$1,500
MISCELLANEOUS INCOME	\$5,000
FUND BALANCE APPROPRIATED.	\$9,800
GRANT REVENUE	<u>\$8,000</u>
TOTAL	<u>\$621,900</u>
REVALUATION FUND	
EXPENDITURES:	
RESERVE FOR REVALUATION	<u>\$378,900</u>
REVENUES:	
TRANSFER FROM GENERAL FUND	\$175,000
FUND BALANCE APPROPRIATED	<u>\$203,900</u>
TOTAL	<u>\$378,900</u>
SCHOOL BOND FUND	
EXPENDITURES:	
TRANSFER TO GENERAL FUND	<u>\$300,000</u>
REVENUES	
FUND BALANCE APPROPRIATED	<u>\$300,000</u>
SCHOOL CAPITAL CONSTRUCTION	
EXPENDITURES	
TRANSFER TO GENERAL FUND	<u>\$505,000</u>
REVENUES	
FUND BALANCE APPROPRIATED	<u>\$505,000</u>
LEO SEPARATION FUND	
EXPENDITURES:	
PROGRAM COST	<u>\$105,220</u>
REVENUES:	
FUND BALANCE APPROPRIATED	<u>\$105,220</u>
HERITAGE COMMISSION FUND	
EXPENDITURES:	
OPERATING EXPENSE	<u>\$226,135</u>
REVENUES:	
TRANSFER FROM GENERAL FUND	\$139,135
OTHER REVENUES	\$70,000
FUND BALANCE APPROPRIATED	<u>\$17,000</u>
TOTAL	<u>\$226,135</u>
SOCIAL SERVICE TRUST FUND	
EXPENDITURES:	

June 15, 2005 (Continued)

PROGRAM COST	<u>\$130,000</u>
REVENUES:	
TRUST RECEIPTS	<u>\$130,000</u>
MENTAL HEALTH FUND	
EXPENDITURES:	
OPERATION OF CENTER	<u>\$12,500,000</u>
REVENUES:	
FEDERAL GOVERNMENT	\$399,427
STATE GOVERNMENT	\$6,887,466
TRANSFER FROM GENERAL FUND	\$1,400,195
ABC - FIVE CENT PER BOTTLE TAX	\$25,000
ABC PROFITS	\$6,000
FEES AND CHARGES	\$3,664,090
INTEREST INCOME	\$30,000
FUND BALANCE	<u>\$87,822</u>
TOTAL	<u>\$12,500,000</u>
COMMUNICATION FUND	
EXPENDITURES:	
911 WIRELESS OPERATIONS	\$200,500
E-911 OPERATIONS	<u>\$665,000</u>
TOTAL	<u>\$865,500</u>
REVENUES:	
911 WIRELESS	\$185,000
ENHANCED 9-1-1	\$665,000
FUND BALANCE APPROPRIATED	15,500
TOTAL	<u>\$865,500</u>
OTHER COLLECTIONS	
EXPENDITURES:	
SPECIAL DISTRICT TAX	\$3,677,500
MOTOR VEHICLE TAX	\$10,667,000
MOCCASIN CREEK DISTRICT TAX	<u>\$35,000</u>
TOTAL	<u>\$14,379,500</u>
REVENUES:	
SPECIAL DISTRICT TAX	\$3,677,500
MOTOR VEHICLE TAX	\$10,667,000
MOCCASIN CREEK DISTRICT TAX	<u>\$35,000</u>
TOTAL	<u>\$14,379,500</u>
RESEARCH TRAINING ZONE	
EXPENDITURES	
OPERATIONS	<u>\$195,000</u>
REVENUES	
SPECIAL DISTRICT TAX	<u>\$195,000</u>
AIRPORT AUTHORITY FUND	
EXPENDITURES:	
OPERATIONS	\$1,008,775
CAPITAL COST	<u>\$3,300,000</u>
TOTAL	<u>\$4,308,775</u>
REVENUES:	
FEDERAL GRANTS	\$3,300,000

June 15, 2005 (Continued)

FEEs AND SERVICES	\$1,008,475
INVESTMENT INCOME	<u>\$300</u>
TOTAL	<u>\$4,308,775</u>
HOUSING ASSISTANCE PAYMENT PROGRAM FUND	
EXPENDITURES:	
PROGRAM COST	<u>\$3,764,005</u>
REVENUES:	
FEDERAL GOVERNMENT HUD	<u>\$3,764,005</u>
JOB TRAINING PROGRAM FUND	
EXPENDITURES:	
PROGRAM COST	<u>\$1,034,321</u>
REVENUES:	
FEDERAL GOVERNMENT	<u>\$1,034,321</u>
WATER DISTRICTS	
EXPENDITURES:	
DEBT SERVICE	\$2,547,863
OPERATIONS	\$3,365,000
TRANSFER TO OTHER FUNDS	<u>\$1,531,497</u>
TOTAL	<u>\$7,444,360</u>
REVENUES:	
FUND BALANCE	\$1,092,863
RETAIL WATER	\$2,576,497
MONTHLY BASE FEE	\$3,000,000
OTHER REVENUE	<u>\$775,000</u>
TOTAL	<u>\$7,444,360</u>
PUBLIC UTILITIES	
EXPENDITURES:	
ADMINISTRATION	\$988,463
SOLID WASTE	\$5,936,000
WATER	\$7,676,497
WASTE WATER	<u>\$6,729,401</u>
TOTAL	<u>\$21,330,361</u>
REVENUES:	
ADMINISTRATION	\$988,463
SOLID WASTE FEES	\$4,303,000
WATER FEES	\$5,425,000
WASTE WATER FEES	\$4,747,000
FUND BALANCE - WASTE WATER	\$1,982,401
FUND BALANCE - SOLID WASTE	\$1,633,000
FUND BALANCE - WATER	\$720,000
TRANSFER FROM OTHER FUNDS	<u>\$1,531,497</u>
TOTAL	<u>\$21,330,361</u>

SECTION II. There is hereby levied a Tax Rate of seventy-eight (78) cents per one hundred dollars valuation of property listed for taxes as of January 1, 2005. This rate shall be levied entirely in the General Fund. The Tax Rate is based on an estimated total valuation of property for the purposes of taxation of \$9,781,702,290 and an estimated collection rate of 97.35%.

SECTION III. All fees, including Inspection Fees, Fire Code Fees, and Environmental Sanitarian Fees shall be collected as per schedule in the Clerk's Office. Planning and Zoning Fees and Public Utility Fees are adopted as recommended and are on file in the Clerk's Office. GIS fees are approved to recognize cost and may be

June 15, 2005 (Continued)

amended as needed.

SECTION IV. Landfill Tipping Fees shall be levied at a rate of \$33 per ton for municipal solid waste generated in Johnston County. The minimum fee for any vehicle shall be \$3. A rate of four times the inside rate shall be levied for all solid waste generated outside of Johnston County. Solid Waste assigned to the Sheriff's Department and Planning Department to enforce Solid Waste Laws, Rules and Regulations in Johnston County to ensure compliance with "Senate Bill 111". The Landfill tipping fee for construction and demolition waste shall be \$24 per ton, and a yard waste fee of \$16 per ton shall be levied.

SECTION V. A fee of \$55 per household shall be levied to all citizens in the county using the manned compaction sites and the landfill. The fee shall be prorated in the manner authorized by the Board. A rate of \$165 per commercial operation to all businesses using the compaction site, this rate includes a maximum of three (3) ninety gallon containers per week. A vehicle identification sticker must be purchased prior to use of the sites in the County.

SECTION VI. Salaries. The following shall govern salary and wage compensation for Fiscal Year 2005-2006:

A. Pay Plan

There is hereby adopted a pay plan which includes a performance based adjustment from the FY 04-05 pay plan.

SECTION VII. The Budget Officer is hereby authorized to transfer appropriations within a fund as contained herein under the following conditions as specified in North Carolina General Statute 159.

- A. The Budget Officer may transfer amounts between objects of expenditure within departments listed in this Ordinance without a report.
- B. The Budget Officer may transfer amounts up to \$5,000 between departments of the same fund and reported as part of the monthly financial statements.
- C. The Budget Officer may not transfer amounts between funds nor from the Contingency Fund without prior Board Action.

SECTION VII. Restricted Revenues: The Finance Officer is hereby directed to fund appropriations which have specified revenues prior to funding with General Fund monies. This is to include but not limited to Fines and Forfeitures, ABC profits, Sales Tax, State and Federal Grants, and Forestry Revenues. That a non-profit corporation be continued to issue obligations to finance the purchase and/or construction of fixed assets to include but not limited to utility lines and buildings.

SECTION IX. State designated Sales and Use Tax is hereby designated for the payment of debt for new and renovated schools. School Debt Service is to be paid from the General Fund as directed by the independent auditors. Fines and Forfeitures are deposited directly with the Board of Education by the Clerk of Court.

SECTION X. Encumbrances: All outstanding encumbrances from Prior Fiscal Years are to be carried forward to Fiscal Year 2005-2006. All Project Ordinance appropriations are continued. Operating and Capital Funds for Johnston County Community College not expended at the end of the fiscal year shall be placed by JCCC in their Special Capital Outlay Account and used as match for State funds.

SECTION XI. Budget Control: The Board of Commissioners in approving the Budget, have utilized to the fullest extent possible its revenue sources. Over collections of revenue or unanticipated revenue sources cannot be expected to materialize during the year. It is therefore, of utmost importance, and the County Manager is hereby directed, to initiate steps to insure that the budget as fixed herein is complied with. The County Manager is further directed where it appears that costs may possibly exceed budget appropriations, to first take steps to contain costs by any necessary methods including reductions in services, prior to requesting budget amendment action by the Board of Commissioners.

SECTION XII. The Board of Commissioners hereby authorizes the Johnston County Tax Administrator to collect taxes for the Towns of Clayton, Smithfield, Four Oaks, Pine Level, Micro, Princeton, Wilson's Mills, Whitley Heights Sanitary District, Moccasin Creek District and Smithfield Downtown Development District in compliance with the contracts adopted by the various governing boards. A charge of two percent (2%) of all taxes collected for the governmental units will be payable to Johnston County for said billing and collection services. Taxes for the Towns of Selma, Kenly, and Benson are collected by the Johnston County Tax

June 15, 2005 (Continued)

Administrator also. The charge of two and one half percent (2 ½ %) of all taxes collected will be payable to Johnston County for said billing and collection services.

SECTION XIII. The Board of Commissioners hereby authorizes the Tax Administrator to bill and collect taxes for the Whitley Heights Sanitary District and for the Fire Departments listed below and to charge a uniform fee of two percent (2%) of all taxes collected on their behalf.

Archer Lodge Fire District	7 cents
Banner Fire District	6 cents
Bentonville Fire District	4 cents
Beulah (Kenly) Fire District	7.5 cents
Boon Hill (Princeton) Fire District	5 cents
Blackmon's Crossroads Fire District	6 cents
Brogden Fire District	6 cents
Claytex	7 cents
Corinth Holder Fire District	7.5 cents
Elevation Fire District	8 cents
McLemore-Cleveland Fire District	6 cents
Meadow Fire District	5 cents
Micro Fire District	8 cents
Nahunta Fire District	6 cents
Newton Grove Fire District	4.5 cents
Oakland Fire District	5.5 cents
O'Neals-Antioch Fire District	8 cents
PI-LE	6 cents
Selma	8 cents
Shoeheel	8 cents
Smithfield	8 cents
Strickland Crossroads Fire District	5 cents
Thanksgiving	6 cents
West Johnston Fire District	7 cents
Wilson's Mills Fire District	6 cents
Wynn (Four Oaks) Fire District	6 cents
50-210 Fire District	4 cents

The above amounts are per one hundred dollar valuation of property listed for taxes as of January 1, 2005, located within these Special Fire Districts.

The Board of Commissioners hereby appropriates to the Special Fire Districts, sums collected for the use by the Special Fire Districts in such manner and for such expenditures as is permitted by law from the proceeds of the tax levy.

SECTION XIV. The Board of Commissioners hereby authorizes the Tax Administrator to bill and collect taxes for the Research Training Zone District at a rate of eight cents per one hundred dollar valuation of property listed for taxes as of January 1, 2005, located within the district.

The **ORDINANCE** being duly passed and adopted this 15th day of June, 2005.

JOHNSTON COUNTY BOARD OF COMMISSIONERS

Cookie Pope, Chairman

April N. Byrd, Clerk to the Board

There being no further business Commissioner W. Ray Woodall moved the Board adjourn. Commissioner Allen L. Mims, Jr. seconded the motion, which carried by unanimous vote.

June 15, 2005 (Continued)

Cookie Pope, Chairman

April N. Byrd, Clerk to the Board