

Regular Meeting
“Budget Retreat”
Thursday, March 25, 2010
8:30 am
Northern Chowan Community Center
2869 Virginia Road
Tyner, NC 27980

MINUTES

The Chowan County Board of Commissioners held a regular meeting on Thursday, March 25, 2010 at 8:30am at the Northern Chowan Community Center, 2869 Virginia Road, Tyner, NC 27980.

Present, Chairman Eddy Goodwin, Vice Chairman Emmett Winborne, Commissioner Jimmy Alligood, Commissioner Louis Belfield, Commissioner Kenny Goodwin (came in late, see reference in the minutes), Commissioner Ralph Cole and Commissioner Keith Nixon. Staff present: County Manager Peter Rascoe, Finance Officer Lisa Jones and Clerk to the Board Susanne Stallings.

Chairman Eddy Goodwin called the meeting to order and led the pledge; he then offered then offered the invocation.

Budget planning process timeline

Mr. Rascoe provided the Board with a review of the timeline for the budget approval and review. He stated that the Board would meet in April, and have 4 committee meetings in April. He noted that without any further directives from the Board on the budget planning, he would present a balanced budget for Board consideration at the May 3, 2010 meeting based on the Board’s directives.

Commissioner Cole asked how the current budget finances were.

Mr. Rascoe stated that the currently the County is within budget.

Commissioner Winborne asked if another Board meeting would be necessary.

Mr. Rascoe stated that after the budget workshop on today, the Board may request another meeting in order that he may present one budget in May based on the Board’s directives.

Commissioner Nixon stated he felt it would be wise to discuss the budget in another work session.

Mr. Rascoe stated that he would prefer to have the full Board’s feed back at such a meeting. He then noted that when Department Heads were asked to prepare budgets for FY 2010-11, they were asked to price the current year services at the next year’s prices. He stated that some budget numbers are the same.

General Fund – Planning status of current draft Revenues and Expenses

Mr. Rascoe presented the Board with an explanation sheet on the increased expenses (major) in draft budget planning documents for FY 10-11. He noted the increases on the sheet are for planning purposes only and are not part of any proposed budget.

(A copy of the presentation is in the Board of Commissioner's meeting file labeled March 25, 2010.)

Commissioner Winborne asked if the utilities were increased because of the past winter being so cold.

Mr. Rascoe stated the temperatures did impact the costs for utilities.

Commissioner Allgood stated that a maintenance contract may be beneficial for reducing costs for vehicle maintenance.

Mr. Rascoe then presented General Fund Revenue current working numbers for FY 10-11 (Mr. Rascoe clarified that the numbers are working and not a proposed budget)

(A copy of the presentation is in the Board of Commissioner's meeting file labeled March 25, 2010.)

Commissioner Allgood stated more pressure should be placed on Mediacom to increase revenues to the County.

Commissioner Kenny Goodwin arrived to the meeting (9:17am).

Mr. Rascoe noted the current Fiscal Year Revenues at \$15,677,753 and the total projected revenues for FY2010-11 at \$16,120,825.

Commissioner Nixon and Mr. Rascoe discussed the previous use of the Solid Waste user fee to pay back the general fund.

Commissioner Kenny Goodwin stated that the fee should be decreased if the money is only be used for the Solid Waste fund and not to pay back prior advances from the General Fund.

Commissioner Nixon asked that this be checked into with the Auditor because if the money can pay back the general fund then it should.

Mr. Rascoe then presented information on the General Fund Expenses working numbers for FY 10-11. (Mr. Rascoe clarified that the numbers are working and not a proposed budget).

(A copy of the presentation is in the Board of Commissioner's meeting file labeled March 25, 2010.)

Mr. Rascoe noted that the expenses for the current fiscal year at \$15,614,920 and the working numbers have the projected expense for FY10-11 at \$17,072,461.

Commissioner Nixon asked if there is enough budgeted with Land Transfer tax in the school reserve to cover the debt payments for the school. He asked if there is enough money to cover the debt payment.

Ms. Jones said yes.

Commissioner Alligood asked about the status of the old Jailer House.

Commissioner Nixon stated that the Planning/Enterprise Committee have the property advertised for lease to non-profits.

Commissioner Cole asked if the Manager has spoken with the Hospital about the Mental Health Building.

Mr. Rascoe stated he has talked with Mr. Sackrison.

Chairman Eddy Goodwin asked for a 10-15 minute recess. After the recess, Chairman called the meeting to order.

Sheriff/Jail/911 Budget Discussion

Commissioner Kenny Goodwin asked the Sheriff if there would be savings if Animal Control was turned over to the Sheriff.

Sheriff Goodwin stated there would be a savings of \$15,000.

Mr. Rascoe noted that the Town is aware of the possible transfer of Animal Control.

Sheriff Goodwin stated he is working with the police chief.

Commissioner Cole asked about the condition of the vehicles that the Sheriff is requesting replacement.

Sheriff Goodwin provided the Board with information on the current mileage of vehicles.

Chairman Eddy Goodwin stated that his vehicle has over 100,000 miles and asked if the remaining Board members have that much on their personal vehicles.

Commissioner Kenny Goodwin clarified that the Animal Control Department would transfer one not two vehicles.

Mr. Rascoe stated that the remaining vehicle would stay with the Animal Shelter to assist in mutual aid and other pick up calls as requested. He added that the current position has dual roles as shelter director and Animal Control Officer. He stated that one of the animal control officer positions is paid out of the shelter budget.

Sheriff Goodwin stated that with regards to his request to fill the two vacant sheriff deputy positions, he did not expect the Board to fill them. He noted that he felt the need was greater to replace vehicles.

Commissioner Cole asked what happens to the vehicles that are replaced.

Sheriff Goodwin stated these vehicles are then put in surplus sale.

Mr. Rascoe asked the Sheriff to clarify the request for the jailers holiday pay.

The Board discussed mandated retirement contributions for Sheriff Deputies.

Commissioner Kenny Goodwin stated that he was concerned with the overall budget for 911 when 24-25% of 911 calls are from the Town residents. He stated that he felt the Town should contribute to the 911 budget.

Commissioner Nixon stated this has been discussed previously and a letter of response came from the Town manager.

Commissioner Winborne asked if there is an agreement between the County and the Town for 911.

Mr. Rascoe stated that there is not a written agreement currently in place.

Commissioner Cole asked what the ramifications of sending the Town a bill were.

Chairman Eddy Goodwin stated he felt it would be best to talk with the Town before sending them a bill.

Commissioner Nixon stated that he researched other municipalities and found that Perquimans and Pasquotank receive contributions from their municipalities for central communications. He stated that Town residents would question if they were being double taxed but added that Town residents pay an additional tax because they require more services. He stated the Town needs the equipment to provide the services.

Commissioner Belfield moved that the Board give the County Manager the authority to negotiate with the town on calculating a percentage of a contribution to 911 Central Communications.

Commissioner Nixon urged the Board to be cautious with stating an exact amount.

Chairman Eddy Goodwin noted that the County currently pays the Town of Edenton \$266,079 annually to provide fire coverage in District 2.

Mr. Rascoe clarified that the Town bills the County for 43% of the calls for Edenton Fire Department assistance, based on a 5 year average of call numbers.

Commissioner Alligood noted that a great percentage of rescue calls are in the Town limits.

Sheriff Goodwin stated that his department does respond to calls in Town. He noted that some municipalities have contracts with the County Sheriff's department to provide additional coverage.

Mr. Rascoe stated that he wanted the Board to provide him with terms for negotiating.

Commissioner Kenny Goodwin suggested that a reduction of the payment for Edenton Fire Department could be a term if the Town fails to contribute to Central Communications.

Mr. Rascoe stated that the Town's position would be that this is a double tax. He stated that he currently was not comfortable enough to budget expected revenue from the Town for 9-1-1 contribution.

Commissioner Belfield amended his motion to direct the County Manager to talk with the Town requesting them to pay their share of the costs of 911 operations.

Chairman Eddy Goodwin asked for all in favor, the motion passed (6-1 Alligood).

Sheriff Goodwin provided the Board with demographic information on the staff of neighboring Sheriff's offices and call load. Of the several the Sheriff mentioned, he stated that Bertie County is geographically larger than Chowan, has 25 officers and responds to 4,298 calls annually. The Sheriff stated Chowan County has 17 full time deputies and responded to 7,745 calls. He stated Perquimans County has 15 officers and responded to 4,800 calls.

Chairman Eddy Goodwin questioned the high amount of calls with a reduced crime rate in the County.

Sheriff Goodwin stated that his deputies respond to all calls for service, adding that calls range from emergency back up to jump starting a vehicle.

Chairman Eddy Goodwin stated that deputies do not provide life saving assistance to rescue and cited a time that he was aware that a deputy did not perform life saving assistance to a victim.

Sheriff Goodwin said that he disagreed with the Chairman, adding that all of his deputies are certified in CPR.

Commissioner Alligood stated that during his service with EMS, he was aware of 3 situations where a deputy provided life saving CPR before EMS arrived.

Commissioner Winborne stated he felt the Sheriff's Department does a good job. He asked the Sheriff if he knows why so many more calls are made in Chowan County.

Sheriff Goodwin stated there was no exact reason, however smaller townships have Police Officers. He stated that he is also working with other agencies on how to respond to wildlife extrication when he begins supervision of Animal Control.

Commissioner Keith Nixon asked how many deputies were part-time.

Sheriff Goodwin stated that he holds certifications on 24 deputies adding that only 6 of them work part-time on a regular basis.

Commissioner Winborne asked if the Sheriff prefers two deputies or the cars.

Sheriff Goodwin stated he needs the vehicles. He noted that the positions were grant funded and with the expired grants, he felt the need to request the positions to be put back into the budget. He stated that minus the Animal Control and vehicle request, his overall budget request is \$60,000 less than the previous year.

School Current Expense

Mr. Rascoe presented the Board with a copy of the School Budget Request. (A copy of the request is in the Board meeting file, March 25, 2010)

Commissioner Kenny Goodwin stated that the Finance Sub Committee met with the Board of Education earlier in the week. He stated that the committee clarified the process for requesting capital improvements through the use of the designated Land Transfer Tax for Schools. He stated this would not be included in the budget process for the Schools, but a pay as you go process.

Commissioner Kenny Goodwin asked when the Middle School's last debt payment is to be made.

Mr. Rascoe stated that the payment would be a proposed budget expense.

Commissioner Nixon stated that last fiscal year \$379,000 was designated for school capital. Commissioner Kenny Goodwin stated he felt the Board should reduce the school current expense request by ½.

Commissioner Nixon stated that the school is requesting to restore a salary reduction of 2%. He stated that he was aware that local supplement pay for teachers is funded with current expense money.

Chairman Eddy Goodwin stated that the Board asked the School to use \$800,000 of their reserves, but the school elected to use \$400,000.

Mr. Rascoe stated that he was told that all staff including those without local supplement pay took a 2% reduction.

Commissioner Winborne asked if the School discussed their fund balance with the committee.

Mr. Rascoe stated the last audit of the school finances shows \$1.8 -\$1.9 million balance in School reserves as of June 30, 2009.

Commissioner Kenny Goodwin stated the schools propose to take \$500,000 out of their reserves.

Commissioner Cole clarified that teacher supplement pay is pay over and beyond base salary.

Commissioner Nixon shared his research on statewide school funding. He noted that Chowan County, in 2006-07 ranked 30th in the state out of 110 school systems for local funding. He stated that he wants Chowan County to rank well. He noted the following per student local contributions Bertie \$1,022/student, Camden \$867/student, Gates \$1,355/student, Perquimans \$1184/student among others. He stated he felt a good range is \$1400 per student. He stated he felt the Board should offer \$220,000 of the School's \$441,000 request. He stated that the Finance Committee could negotiate the SRO position at the Elementary School. Commissioner Nixon added that the in-kind funding for COA is not included in the School ranking, and Chowan contributes to COA which provides classes to many high school students. He added that the Board should not get into school operations but look at the revenues and compare to neighboring counties. He then moved that the Board direct a proposed expense of \$220,000 over the current year's appropriation, and begin negotiations in the Finance Sub Committee and bring back a final amount to the full Board for a vote at the time of actual budget adoption.

Commissioner Winborne stated that he planned to vote against any increase because he felt that if the Schools had reserve monies, they should fund the increase themselves. He added that the fund balance is tax payer money.

Commissioner Nixon stated that the Schools have committed to use some of their fund balance to improve the conditions at the high school.

Chairman Cole asked for all in favor of Commissioner Nixon's motion, the motion passed (4-3 Cole, Winborne, Belfield).

John Mitchener, in the public asked to comment on the vote. He stated his concern for lack of vision of unfunded mandates for the next fiscal year.

College of the Albemarle Edenton-Chowan Campus

Mr. Rascoe presented the budget request for COA. He noted that most concern has been placed in the restoration of funding for the fiber for internet. (A copy of the request is in the Board meeting file, March 25, 2010)

Commissioner Kenny Goodwin stated that he felt the Board should flat line the budget request from the previous year.

Commissioner Alligood moved that the Board direct holding the line on the previous year budget request and add Priority #2 as the increase to fund the Fiber for internet.

Chairman Eddy Goodwin asked for all in favor, the motion passed (6-1 K. Goodwin).

Shepard-Pruden Memorial Library

Mr. Rascoe presented the budget appropriation request for Shepard-Pruden Memorial Library. (A copy of the request is in the Board meeting file, March 25, 2010)

Commissioner Kenny Goodwin moved that the Board direct leaving the request in the amount of the previous year, to include the projected building maintenance increase for a total budget appropriation of \$146,161.

Chairman Eddy Goodwin asked for all in favor, the motion passed (5-2 Cole, Belfield).

NC Div of Forest Resources

Mr. Rascoe presented the budget appropriation request for Forest Resources which included a decrease from the previous year budget request. (A copy of the request is in the Board meeting file, March 25, 2010)

Commissioner Alligood moved that the Board direct approval of the request.

Chairman Eddy Goodwin asked for all in favor, the motion passed (7-0).

General Non-Profit Appropriations Policy

Mr. Rascoe stated he received two appropriation requests from non-profit agencies and letter from two additional agencies. He stated that unless the Board wanted to change its current policy, he would not budget for non-profit appropriations in FY2010-11.

There was no motion to amend the policy.

The Board discussed department requests, afterwards the Board recessed for an hour lunch break.

After lunch, Chairman Eddy Goodwin called the meeting to order.

Further Directives on Proposed Budget

Commissioner Nixon requested that the Board be provided the dollar amount for reinstating the 40 hour work week for employees.

Governing Body

Commissioner Kenny Goodwin moved to direct that the only increase in the Governing Body budget expense be for the audit expense in the Governing Body line.

Chairman Eddy Goodwin asked for all in favor, the motion passed (7-0).

Central Maintenance

The Board discussed the increase in Maintenance with three buildings coming off maintenance.

Commissioner Kenny Goodwin requested information on increase in maintenance and repair.

Commissioner Keith Nixon asked that housekeeping be looked at closely with the reduction of facilities.

Sheriff

Commissioner Kenny Goodwin stated that he felt the two positions should remain frozen and allow the sheriff to purchase one of the four vehicles requested. He stated he was still unsure about absorption of Animal Control.

Mr. Rascoe stated that if Animal Control remains a separate department, there would be additional expenses to be budgeted.

Commissioner Kenny Goodwin then stated he would want to leave the budget at the same amount as the previous year budget and in addition to that allow one car purchase and unfreeze one deputy position to be used for animal control.

Commissioner Nixon stated his concern about absorbing Animal Control in the Sheriff's budget. He stated that there will be savings in the next budget from a vehicle purchase to be paid off.

Commissioner Kenny Goodwin then moved that the Board direct keeping the lease payment from the previous budget and put it in the next budget, leaving it the same amount as the previous year and unfreeze one position to be designated for Animal Control deputy.

Chairman Eddy Goodwin asked for all in favor, the motion passed (7-0).

Central Communications/911

Commissioner Nixon moved to direct that the frozen position remain frozen and not be filled in the proposed budget.

Mr. Rascoe noted that one position is funded in the current budget and the remaining position is frozen.

Chairman Eddy Goodwin asked for all in favor, the motion passed (7-0).

Jailers House

Commissioner Alligood expressed his concern of potential for deteriorating conditions at the building. He stated he would like to see the building be given to a non-profit.

Mr. Rascoe stated he would talk with the State about giving title of the property to them.

Enterprise Funds – Planning status of current draft Revenues and Expenses

Mr. Rascoe provided the Board with the proposed Special Revenue and Enterprise Funds. (A copy of the presentation is in the Board meeting file, March 25, 2010)

The Board discussed the following enterprise funds individually:

Fire

Mr. Rascoe presented the Board with the budget appropriation requests from the Fire departments. (Copies of the requests are in the Board meeting file, March 25, 2010)

EMS

The Board discussed the increase in the EMS Budget that includes the indirect cost to the general fund and the purchase of the ambulance and monitoring pads replacement and acquisition.

Chairman Cole suggested applying for Hospital Foundation grants to assist with the purchase of the equipment.

Water Fund

Ms. Jones noted the increase includes the SOC study, contribution to reserve to fund the tower painting/maintenance/leaks. She stated this proposal allows the revenues to pay for expenses with no fee increase.

Solid Waste

Commissioner Kenny Goodwin noted this figure may be reduced from the previous year.

Mr. Rascoe stated that the PCG Landfill Authority has not provided its budget proposal and the figure is based in the FY 2009-10 budget.

Commissioner Nixon discussed the monies in the fund balance and discussed the need to build the county reserves. He stated if the revenues exceed expenses, the fee may need to be reduced.

Timely and Important Matters

The Board discussed usage of unanticipated revenues from FY 2009-10 in the FY 2010-11 budget.

Mr. Rascoe clarified that by law the monies must go into fund balance.

Commissioner Nixon noted the Board could be close on reaching the required fund balance in the next fiscal year.

Mr. Rascoe presented a proposed budget amendment to purchase a Windows based server and upgrade of the payroll and human resources software. He noted that this is needed due to the failure of the UNIX server in the previous week. He stated that repairs are currently being made to the server; however there is no guarantee as to how long the repairs will hold up. The proposed Budget Transfer was in the amount of \$71,492.

Commissioner Cole moved that the Board proceed with and approve the Budget Transfer.

Commissioner Kenny Goodwin asked why the monies were not pulled from remaining monies in Economic Development. He asked if the system will be paperless.

Ms. Jones stated that the town will be obligated to pay 20% of the costs to upgrade the server. She added that unused revenues in the lines would roll to the contribution to reserve at the end of the fiscal year.

Commissioner Nixon stated he did not like using the monies from the contribution to reserve, because the Board has committed to not spend this line and that was the reason he would not vote in favor of the amendment.

Chairman Eddy Goodwin asked for all in favor of the motion, the motion passed (4-3 Nixon, K. Goodwin, Winborne).

Mr. Rascoe presented the Board with an offer to purchase the County's Gliden Road property. The previous owner states he donated the property to the County for the purpose of building a rescue squad building and was offering \$30,000 to purchase the land and the building back. He added that the Planning and Enterprise Committee declared the property surplus and put the property out for offers. Mr. Rascoe also stated that the property was advertised for the appraised tax value in the amount of \$62,914.

Commissioner Nixon moved that the Board reject the offer. Chairman Eddy Goodwin asked for all in favor, the motion passed unanimously (7-0).

Mr. Rascoe noted that small properties that were obtained by the county via foreclosures have been targeted as surplus. He stated that he has mailed letters to the adjoining property owners soliciting offers. He added that any offer would be brought to the full Board for consideration and subsequent advertisement for the required 10 day period for upset bid.

Commissioner Nixon asked for feedback from Mr. Rascoe from the stakeholders.

Being no further business, the meeting was adjourned.

Edward C. Goodwin
Chairman

L. Susanne Stallings
Clerk