

*Scotland County Board of Commissioners budget work session
April 25, 2011, 507 West Covington Street, Laurinburg, NC*

**MINUTES
Scotland County Board of Commissioners
April 20, 2011 Budget Work Session
507 West Covington Street, Laurinburg NC**

At 9 a.m. Chairman Bob Davis reconvened the meeting for the purpose of a Budget Work Session. Commissioners in attendance: Chairman Davis, Vice Chair Joyce McDow and Commissioners John Alford, John Cooley, Carol McCall and Guy McCook. Commissioners not in attendance: Commissioner Clarence McPhatter. Staff in attendance: County Manager Kevin Patterson, Deputy Finance Officer Charles Nichols and Clerk to the Board Ann W. Kurtzman. Chairman Davis delivered the opening prayer.

Budget Projection

County Manager Patterson said until the Board of Equalization and Review meets, the County is still looking at 97 cents as the revenue neutral rate. He said the County experienced a \$350,000 tax revenue decrease, and it is expected to remain flat moving forward.

Mr. Patterson said although the State predicts a four percent increase in sales tax next year, Scotland County might be negatively impacted by its tax allocations because its population remained flat according to 2010 Census data.

Mr. Patterson said he anticipates \$2.5 million in budget reductions next fiscal year. He asked departments to provide two budgets — one recommended and one reflecting a 10 percent reduction in operations. Mr. Patterson explained that most departments, the smaller ones in particular, would not be able to achieve the 10 percent reduction without a reduction in force.

Mr. Patterson said he does not have a balanced budget at this time but would provide a “grocery list” of difficult choices that must be made in order to get there.

The County Manager then reviewed the budget department by department and, in some cases, line item by line item. Throughout Mr. Patterson’s presentation the Board of Commissioners asked where other reductions might be made and proposed alternative reductions and other budgeting options.

Mr. Patterson said what is not included in this recommended budget is a line item for housing Jail misdemeanants or probationers, an unfunded mandate that might be passed to counties from the State.

(A five-minute break was called)

EMS: County Manager Patterson discussed possible transport fee increases and contracting with a billing agency for EMS.

EMS Director Roylin Hammond discussed contract billing services and how it would work. He described the pros and cons of using such a service. Mr. Hammond said the billing agency would take 9.5 percent of monies collected, which is high. On the plus side, he said the billing agency would provide EMS with collections software and training at no cost, and it would free up the collections person at EMS to perform other duties.

Chairman Davis asked Mr. Hammond and Mr. Patterson to gather more information on the outside billing service for presentation to the Commissioners.

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Sheriff Shep Jones suggested that EMS might consider sending out collection notices on the Sheriff's Office letterhead as that method might improve the collection rate.

Transportation: Mr. Hammond discussed how overtime would be eliminated by using part time drivers as much as possible to fill in. Mr. Hammond explained that most driver overtime occurs in the transportation of dialysis patients for treatment.

Inspections: County Manager Patterson said a 10 percent cut in Inspections would result in the elimination of an inspector. Mr. Patterson said the department, instead, is looking to contract out its services to generate more revenue to support operations.

The Commissioners discussed the pros and cons of eliminating an inspector. Commissioner Alford warned that elimination of an inspector would create a longer wait time for customers. County Manager Patterson said if a large industrial operation comes to Scotland County, it would require the services of a dedicated inspector.

The Board of Commissioners discussed the possibility of increasing Inspection fees, which have not been increased since 2000.

Commissioner McCook suggested staff research the Inspections fee structure in other jurisdictions to see if the County is competitive.

Commissioner Cooley asked if the \$10,000 BRAC-RTF membership could be eliminated. He questioned whether the County is getting an acceptable return for the investment given its distant location. Commissioner Cooley said he would prefer some membership and dues reductions in favor of keeping employees.

Public Buildings: The maintenance of restrooms in the public parks was discussed during the Public Buildings budget talks. County Manager Patterson addressed some projects that need immediate attention. The roof needs replacement on the Hammond Park restroom at an estimated cost of \$10,000. Commissioner Alford suggested pricing a metal roof if it would have a longer life expectancy.

Mr. Patterson said the Market Park sewer line, which is terra cotta, is completely closed. There is an estimate of \$18,000 to replace the 750-foot line with PVC pipe.

Commissioner McCook suggested as a way to avoid the \$18,000 expenditure that the County purchase the materials and ask the City to install the line.

Chairman Davis directed staff to contact the City to see if it would install the PVC pipe if the County provided the materials.

The County Manager then discussed other Public Buildings projects budgeted including the placement of certified mulch at Scotland Yard and the playgrounds.

Cooperative Extension, Soil and Water, Elections: The County Manager then discussed space issues and options for moving offices, one of which would be to move Soil and Water from Covington Street to the Annex and Elections from the Annex to Covington Street. Becoming ADA compliant would be an issue in moving Elections to Covington Street. Mr. Patterson said moving Soil and Water near Cooperative Extension would give the County the option to reduce an assistant position.

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Mr. Patterson said Cooperative Extension and Soil and Water could move to the Speller Building. He added that if Elections moved to Covington Street, the Annex space could be used for DSS Children's Services.

(Chairman Davis called a break for lunch until 1 p.m.)

After the break, Chairman Davis said Commissioner Cooley was excused so he could return to work.

Parks and Recreation: Mr. Patterson recommended the Commissioners consider a change in the fee structure over the next several years at Parks and Recreation. Mr. Patterson said the current fee structure represents 20 percent support of all programs. He asked the Commissioners to consider where they might like that percentage to be if a fee increase was considered.

Commissioner McCook said the fees are reasonable now and much lower compared to other counties. Vice Chair McDow said fees should not discourage participation, especially in a County where there are health issues and a high poverty rate. She explained that Parks and Recreation offers a positive outlet for people in the community because of the reasonable fees. Parks and Recreation Director Shannon Newton said the last fee increase was five years ago.

The Commissioners agreed in general that an increase from \$12 to \$15 would be reasonable.

Mr. Patterson said streamlining services also are being considered. He explained that the County might better coordinate with the Optimists and also transfer seasonal grounds employees from Public Buildings to Parks and Recreation to perform field preparation duties.

Mr. Patterson suggested the County look at consolidating more games into the Morgan Complex in order to minimize the use of other facilities.

Library: Mr. Patterson said the State is considering a 15 percent fund reduction to the Library. Currently, the Library only operates the Bookmobile two days a week. Two page positions, one of which is currently filled, are proposed to be eliminated. The Library will look to fill the children's librarian position unless the Commissioners decide otherwise. The County also expects to close on Mondays. No funds are set aside for reopening Wagram Library. The Bookmobile would supplement the closure. It also will visit Deercroft twice a month.

Health: Health Director Ron Sapp said he expects a 17 percent reduction in the agency's budget. He said clinic visits have declined since Medicaid patients are using the services of private practice medical providers. Mr. Sapp said there are open positions that have not been filled, and the agency expects to make at least one reduction in force.

DSS: Director Robby Hall said the agency is expecting a reduction in State and federal funds in Work First, Foster Care and Adult Daycare. Mr. Hall provided two scenarios on how the agency would operate — one based on unfunded mandates and the other based on funded mandates. Mr. Hall said he expects to restructure services by moving positions within the agency to areas where there would be continuous funding.

Mr. Hall explained how the 38 DSS services are mandated but certain services within the programs are partly mandated.

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Commissioner Carol McCall asked the Commissioners to consider increasing the fraud unit staff from one to two people.

Mr. Hall discussed Foster Care and how DSS is reimbursed on placement. He answered numerous questions about Foster Care and why the number of children placed there is high.

Veterans Service: Mr. Patterson said the one-person Veterans Service office could be relocated into another building for some savings, but that savings would be minimal.

Early College Program budget appropriation

The County Manager described a five-year plan that would sustain the Early College Program once State funding ceases. Mr. Patterson said the proposal calls for the County to make an annual contribution of \$75,000 over five years. RCC would provide \$25,000 a year for equipment and the School share would be \$50,000 a year.

Mr. Patterson said the School Attorney and County Attorney would work together to develop an agreement, which would also include a one-year opt out clause for all involved parties.

Mr. Patterson said FY 11-12 is the last year the Schools would receive \$307,000 for staff salaries for the Early College Program. The School Board will have to decide whether it would continue to fund the salaries after FY 12.

Mr. Patterson said the County's share of \$75,000 would be above the local support it provides the Schools based on the funding formula.

Speller and Sanford buildings, East Laurinburg School

Mr. Patterson said State law only allows RCC to transfer deed ownership of the Speller and Sanford buildings to the County. Once the County assumes ownership of the buildings, it can transfer the Sanford deed to the City. Mr. Patterson said if the City does not want the Sanford building, then RCC could sell it for fair market value. Mr. Patterson said in the summer the School Board will offer East Laurinburg School to the County or sell it for fair market value.

The County Manager said Rockingham District Partners in Ministry has already indicated an interest in using East Laurinburg School as a non-profit center.

Capital needs

The County Manager listed some capital expenditures that have a short time frame in which to be satisfied. Elections voting equipment will no longer be certified and the machines currently in use will become obsolete. Mr. Patterson said the voting equipment was purchased by the State. It is not known if the State will purchase the new equipment.

Mr. Patterson said in the next two years there will be a narrow banding of all radios when the system goes digital.

A plan to develop replacement of air and heating systems in County buildings should be developed. The projected reduction in utility costs in the buildings is expected to pay for the equipment.

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The County will look at a contract for tire replacement on vehicles. There might be a possibility the County could participate in a City program that provides tire and brake service.

The County is looking to replace defibrillators two at a time so a replacement cycle can be established.

DSS is researching a system that would allow the agency to scan documents internally.

Water District meetings

County Manager Patterson said since the Commissioners also serve as the Water District Board he would recommend they meet once annually, perhaps during budget sessions, in order to review and set water rates.

The Commissioners discussed meeting as the Water Board twice annually, in June and in January, one half hour before the regular Board meetings.

Policy review and discussion

Rules of Procedure: Commissioner Alford recommended that the following be incorporated in Rule 11 (Powers of the Chairman): *“If the chair wishes to become actively engaged in debate on a particular proposal, he or she shall designate another board member or [a staff member] to preside. The chair shall resume the duty to preside as soon as action on the matter is concluded.”*

Time limits during the public forum should be five minutes with a 30-minute public forum session. Times can be waived at the Chairman’s discretion.

Commissioner McCook said he would like motions to be written on the pull-down screen so Commissioners can review them and citizens can read the motions.

The Commissioners, by consensus, agreed that with the two amendments, Rules of Procedure should be placed on the May meeting agenda for approval.

Commissioner Alford said when the Board considers the amount of money it might set aside for non-profits, it might also consider compensation for the employees, who have not had a raise in several years.

The Commissioners discussed a one percent COLA versus a one-time bonus plan for the upcoming fiscal year.

Commissioner McCook added that he would like to be as aggressive as possible on the tax rate to bring it in as low as possible.

Commissioner McCook asked the County Manager to provide the Board with a one-time bonus plan where employees would receive \$100 per year of service not to exceed \$500, with Commissioners excluded from the bonus plan. It was agreed employees must have worked one full year in order to qualify for a bonus.

Mr. Patterson said he also would provide information on 401K, the County contribution with a comparison to what other counties contribute.

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The Commissioners, by consensus, agreed the Non-Profit and Travel policies be placed on the May meeting agenda for approval.

Deputy Finance Officer Charles Nichols provided information on the Fund Balance for 2006 to 2010. The County Manager and Commissioners discussed monies set aside from the Fund Balance designated for specific capital projects. Mr. Patterson said the Water Districts are separate entities with all cash in Water District I, which is not reflected in the General Fund Fund Balance.

Commissioner McCook asked for a list of other funds outside the Fund Balance, where the monies are set aside and for what purpose.

The Commissioners in general discussed a water authority and the process required in creating one.

Motion was made by Commissioner Alford and duly seconded by Commissioner McCook to adjourn. Vote: Motion unanimously approved. Meeting adjourned at 4:25 p.m.

Ann W. Kurtzman
Clerk to the Board

Bob Davis
Chairman