

*Joint Meeting with the Board of Education and Budget Work Session
June 14, 2011, A.B. Gibson Center, 322 South Main Street, Laurinburg*

MINUTES

**Scotland County Board of Commissioners
Joint Meeting with the Board of Education and Budget Work Session
June 14, 2011, A.B. Gibson Center, 322 South Main Street, Laurinburg**

At 5 p.m. Chairman Bob Davis reconvened the meeting for the purpose of a Joint Meeting with the Board of Education and for 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 and Clerk to the Board Ann W. Kurtzman.

School Board members in attendance were Chairman Jimmy Bennett and members, Darrell Gibson, Charles Brown, Dr. Jeff Byrd, James Underwood, Dr. Paul Rush and Terence Williams.

Schools Superintendent Rick Stout said the Board of Education asked why the County budgeted no funds for school capital projects while the Board of Education budgeted \$500,000 from the County for school capital.

Mr. Stout said it has not been his experience in the past to have no funding from the County for school capital projects. He asked if the Commissioners would consider a threshold amount, something the schools could fall back on.

County Manager reviewed the history of the Memorandum of Understanding between the Schools and the County and how it addressed the debt payment on Laurel Hill and Spring Hill schools by using lottery funds and restricted sales tax. The County would hold the funds for debt service with the excess going to the schools for capital. Mr. Patterson said the debt payment has not been realized.

Mr. Stout said he appreciated the County's concern about having sufficient funds for the bond debt. He added that the School has significant capital needs. He identified the need for a new roof at North Laurinburg School and the need for new chillers at the High School as the most critical needs.

Chairman Davis said similar problems exist on the County side, and the capital money is just not there to address the County's capital issues. He said both boards are forced to tighten their belts and do what they can with the funds available. Chairman Davis added that the Commissioners are still working to balance the County budget, and he listed reductions and eliminations proposed by the Commissioners in order to do that. Chairman Davis said that while budget discussions continue, it would be helpful if the Schools provided a dollar amount for capital.

Superintendent Stout asked the Commissioners to consider \$400,000.

Commissioner McCall asked if the Schools could use a portion of its current expense funds for capital. Commissioner Alford commented there is no available funding unless the County raises taxes.

***Joint Meeting with the Board of Education and Budget Work Session
June 14, 2011, A.B. Gibson Center, 322 South Main Street, Laurinburg***

Superintendent Stout said all current expenses have been allocated, and there is no fat or fluff left in the School budget.

School Board Member Rush suggested the Commissioners adopt a resolution providing some assurance the Schools could depend on capital funds from the County.

Chairman Davis said the Commissioners must adopt a budget that is fair to everybody and not put the burden on the taxpayers. He said the \$400,000 proposed at least gives the Commissioners something to work with.

School Facilities Supervisor Roger Ammons discussed the condition of the roof at North Laurinburg School and addressed questions about partial roof replacement rather than total roof replacement. Mr. Ammons said he would look for cost savings with the project.

Chairman Davis said the Commissioners could not assure the Schools would get \$400,000 for capital and explained the governing board might need some wiggle room to come up with a figure for school capital.

The Commissioners took a brief recess and returned at 6:10 p.m. for a budget work session in the Board of Education Meeting Room at the A.B. Gibson Center.

County Manager Patterson provided the Commissioners with alternative scenarios to reduce the County budget \$566,000 in order to avoid a five percent salary reduction for employees. Mr. Patterson said the alternatives work to balance the budget using a 98-cent tax rate and \$5.1 million sales tax projection. He said none of the alternatives address the request by the Board of Education for \$400,000 in capital.

Commissioner Cooley said he would want the sales tax projection to be more conservative because there is no room to slide.

Chairman Davis reminded the Commissioners of a \$1.02, 99-cent and 98-cent tax rate on homes valued at \$85,000, \$125,000 and \$150,000 and the dollar differences among the tax rates. Chairman Davis said a 98-cent tax rate would bring in \$120,000 while a 99-cent tax rate would bring in an additional \$184,000.

The Commissioners discussed a 98-cent tax rate with a \$4.938 million sales tax projection, which would mean the governing body would have to find an additional \$164,000 to balance the budget.

After looking at the County's capital budget and other line items, the Commissioners asked the County Manager to reduce the capital budget for DSS space from \$100,000 to \$40,000. The reduction would allow the Commissioners Chamber to be turned into a waiting room. The Commissioners explained that in June, July or August the Speller Building could be turned into office space for DSS pending the availability of funds. Meanwhile, the governing board asked County Engineer Jim Blackwell to secure the Speller Building until the project could begin.

*Joint Meeting with the Board of Education and Budget Work Session
June 14, 2011, A.B. Gibson Center, 322 South Main Street, Laurinburg*

Commissioner McCook suggested the Revaluation budget be reduced from \$25,000 to \$10,000. Tax Administrator Mary Helen Norton explained that revaluation should be funded each year by one-eighth or one-fourth the cots depending on a county's revaluation cycle. She said she would research the statute regarding revaluation funding for clarification on the appropriation.

Parks and Recreation Director Shannon Newton suggested the Commissioners could reduce fall protection from \$25,000 to \$5,000.

County Manager Patterson reviewed the Lottery fund schedule. He said the County was recently told to expect \$429,000 in Lottery funds, but he expects that figure to ultimately decrease. He said \$300,000 for debt service is expected but not yet received. It is due in July, and not yet budgeted. Mr. Patterson explained how the \$300,000, when received, could be applied to the School's capital needs.

The Commissioners then discussed a 99-cent tax rate, which would work to balance the budget at a \$4.938 million sales tax projection. Commissioners Cooley and McCook agreed this was not a comfortable option for either of them, and they would rather try to balance the budget by finding \$70,000 in additional cuts on a 98-cent tax rate.

Motion was made by Commissioner McCall and duly seconded by Commissioner Alford to set the tax rate at 99 cents, which gives the County excess revenue of \$114,000 to be set aside for Fund Balance and if Lottery monies are not forthcoming, the monies could be used for capital in the School budget.

Discussion: Commissioner McCook said he would have been more comfortable with a 98-cent tax rate and the County finding an additional \$70,000 to balance the budget. He said the budget will be painful for everybody, including County employees and the taxpayer because either option means a tax increase. Commissioner McCook said he fears next year will be worse. He said he would like to see the tax rate as low as is possible, because at some point the County might need it down the road.

Vice Chair McDow said the budget has already been deeply cut, and she feels the 99-cent tax rate will get the County through this year. She said her concern was to drop it to the point where there might have to be a five- or six-cent increase next year.

Vote: In Favor: Chairman Davis, Vice Chair McDow and Commissioners John Alford and Carol McCall. Vote: Against: Commissioners Cooley and McCook. Vote: Motion approved.

Chairman Davis said the County Manager is now instructed to develop a budget with a 99-cent tax rate.

Chairman Davis said the Commissioners are deeply concerned about County employees and understand their burden. The Commissioners appreciate the dedicated employees and all the employees do for the County. Chairman Davis said he as well as the Board share a concern for

*Joint Meeting with the Board of Education and Budget Work Session
June 14, 2011, A.B. Gibson Center, 322 South Main Street, Laurinburg*

the employees and everyone in the County. Chairman Davis said a lot of blood, sweat and tears had to go into what the Board had to do.

Commissioner Alford moved to recess to 5:30 p.m. Thursday, June 23, at the A.B. Gibson Center, 322 South Main Street. Vote: Motion unanimously approved.

Ann W. Kurtzman
Clerk to the Board

Bob Davis
Chairman