

*Scotland County Board of Commissioners reconvened meeting/Public Hearing
June 14, 2005, Commissioners Chamber 1405 West Boulevard, Laurinburg*

MINUTES

**Scotland County Board of Commissioners
Public Hearing Proposed FY 2005-2006 Budget, June 14, 2005
Scotland County Complex, 1405 West Boulevard, Laurinburg, NC**

At 7 p.m., Chairman J.D. Willis reconvened the recessed meeting. Commissioners in attendance: Chairman Willis, Vice Chair Betty Blue Gholston and Commissioners John Alford, Leon Butler, Charles "Scoofer" Jordan and Joyce McDow. Commissioner Clarence McPhatter was not present and had been excused from the meeting. Staff in attendance: Finance Officer/Assistant County Manager Kevin Patterson, County Attorney Ed Johnston, Finance Technician Anne Tindall and Clerk to the Board Ann W. Kurtzman.

PowerPoint presentation

Chairman Willis said the Commissioners suggested he provide an overview of the County as part of the Public Hearing process, which he proceeded to do via a PowerPoint presentation.

Highlights of the presentation by Chairman Willis include:

- Mandated services, which include the Schools, DSS, Public Health, Jail and Debt Service account for more than \$1.07 of the proposed \$1.10 tax rate. The remaining 2.6 cents, which funds other services, is all the Commissioners control.
- As the total assessed valuation of the 10 largest taxpayers diminishes, the burden shifts from the larger industrial taxpayers to property owners.
- Since 2001 Scotland County has had a net job gain of 723 compared to a net job loss of 2,131.
- Since 2000-01 the schools' share accounts for more than half of the local funding through property tax collections.

Chairman Willis said in his opinion the schools have received a fair share and sometimes more than a fair share of property tax collections.

- In FY 2003-2004 the percent of Scotland County's tax levy to support the school was 48.1% compared to 41.1% average among the 69 low wealth counties, while the percentage of Scotland County's budget to support the schools was 23.1% compared to the 19.1% in the low wealth county average.

Finance Technician Anne Tindall said that Scotland was counted among the 69-county average, and if Scotland County were removed from the equation, the comparison percentages to the other low wealth counties would decrease.

Chairman Willis said Scotland County is well above the low wealth county average when it comes to funding the local schools.

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- Since 2001 the Average Daily Membership (ADM) at the local schools have shown an up and down trend while the amount of Local Current Expense appropriated for the schools has increased.
- Since 2000 the School Local Current Expense Fund Fund Balance has increased from \$1.1 million to \$2.2 million, which represents an 89% increase.
- Since 2000 the School Capital Outlay Fund Fund Balance increased from \$8 million to nearly \$9 million, which represents a 12.2% increase.

Chairman Willis said the Capital Fund Balance shows the schools are well equipped in taking care of its capital needs.

- The average increase in both Fund Balances since 2000 was 57.88%.
- The County's share to support Medicaid jumped from \$2 million in 2000 to \$3.6 million in 2006, which is a 51% increase.
- School Current Expense budget increased 15% from 2001 to 2006, the Medicaid budget increased 51% and all other County appropriations increased 4% in the same time period.
- Scotland County staff has been reduced 11% from 350 positions to 311 positions since 2002.

Chairman Willis said Commissioners are always asked to cut government, and they have done just that and would continue to do so when necessary. It has forced the Commissioners to make tough decisions to keep the tax rate down, he explained.

Mr. Patterson added that a reduction in staff means a reduction in services, which means services do occur but are slower in coming.

- The penny chart further illustrates the portion of the tax rate to fund the mandates.

Chairman Willis said the penny chart shows that the Commissioners really have control over about 3 cents on the tax rate. Mr. Patterson said the Commissioners only control the tax rate and not revenues and fees from the State, which can be taken away at any time.

- A five-year tax rate projection shows the tax rate increasing from \$1.10 in FY 2005-2006 to \$1.27 in FY 2010-2011.

Chairman Willis said the projections were based on County costs being held relatively flat, Medicaid costs increasing an average 10% each year and School Current Expense funding increasing an average 3% each year.

Chairman Willis added that if Medicaid relief were provided by the State, the tax rate would drop about 20 cents over a period of three to five years. He said North Carolina is now the only State left that requires Counties to provide a local share of Medicaid costs.

Chairman Willis said the five-year projections on the tax rate are an assumption that the County does not experience an unforeseen catastrophe, which would include anything

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happening to the schools. He added the projection also does not include tax rate variations resulting from revaluation.

Public Hearing: FY 2005-2006 Proposed Budget

Chairman Willis called the Public Hearing and asked if anyone wished to speak for or against the FY 2005-2006 Proposed budgets or to offer general comments regarding the proposed budget.

Mr. James B. Strickland: Mr. Strickland said he appreciated the effort made by the Commissioners to hold the tax rate the same. Mr. Strickland commented that if someone's roof was leaking and there was money in the bank to repair it, why not take the money from the fund to fix the problem. He asked what the current pay is for the Board of Commissioners, Board of Education and the School Superintendent and who determines the salary level.

Ms. Jan Elliott, DSS Director: Ms. Elliott thanked the Commissioners for their work on behalf of the County. She asked that they consider positively the DSS reclassifications included in the proposed budget. Ms. Elliott suggested that if Medicaid relief does occur that the Commissioners consider salary increases for County employees in budget preparations. She said in comparison to recent State pay studies, the County is falling further behind. She said that investing in prevention could reduce expenses and save money as opposed to putting a Band-Aid on problems.

Ms. Jane Murray, Health Director: Ms. Murray thanked the Commissioners for their work on preparing the budget. She said the Public Health agency has been hit hard since she began work there four years ago. She said she began working at the agency with a staff of 73. Now the agency has 56 positions. She asked the Commissioners to remember the valuable employees who work for the County every day. She asked the Commissioners to consider approving reclassifications for employees in the Health Department.

No one else came forward to speak, and Chairman Willis closed the Public Hearing.

Motion was made by Commissioner McDow and duly seconded by Commissioner Jordan to approve the FY 2005-2006 Budget Ordinance of \$27,891,213, which reflects a \$.547 cents per \$100 valuation tax rate for the General Fund and \$9,848,584, which reflects a \$.553 cents per \$100 valuation tax rate for the School Fund for a total \$1.10 tax rate. Vote: Motion unanimously approved.

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SCOTLAND COUNTY, NC, BUDGET ORDINANCE

JULY 1, 2005 – JUNE 30, 2006

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF SCOTLAND COUNTY, NORTH CAROLINA

	Amount	Subtotals
<u>Section 1. General Fund Expenditures</u>		
<u>General Government</u>		
Governing Body	69,266	
Administration	607,432	
General Services	627,972	
Tax Department	558,708	
Board of Elections	172,378	
Register of Deeds	190,477	
Inspections	328,154	
Planning and Zoning	19,050	
Legal	49,125	
Court Facilities	100,000	
Public Buildings	809,215	
<i>Subtotal</i>		3,531,777
<u>Law Enforcement</u>		
Sheriff's Department	2,286,219	
Drug Fund	53,000	
Jail	1,261,717	
<i>Subtotal</i>		3,600,936
<u>Emergency Services</u>		
Emergency Medical Services/Emergency Management	1,423,696	
<i>Subtotal</i>		1,423,696
<u>Public Health</u>		
General Health	910,840	
Jail Health	97,691	
Healthy Carolinians	23,034	
Environmental Health	175,351	
Health Check	67,892	
Child Health	76,305	
Child Service Coordination	104,108	
Immunization	64,164	
Maternal Health	358,606	
Maternal care Coordination (MCC)	186,859	
Family Planning	364,026	
Adult Health (Health Promotion)	60,143	

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	BCCCP—Cancer Prevention	-	
	Primary Care	14,800	
	WIC	232,227	
	WISE WOMAN	-	
	Communicable Disease	49,036	
	HIV	-	
	STD	88,105	
	TB	14,552	
	Orthopedic	8,440	
	Bioterrorism	57,890	
	Animal Control	53,332	
	<i>Subtotal</i>		3,007,401
<u>Public Assistance</u>			
	Department of Social Services	4,621,078	
	Youth Services -- Detention	60,000	
	Child Care	1,695,498	
	Adoption Assistance	100,000	
	AFDC	5,000	
	Emergency Assistance	15,000	
	Crisis Intervention	21,105	
	Rest Home	465,997	
	AFDC/Foster Care	225,000	
	Medical Assistance/Medicaid	3,600,000	
	Medical Transportation	120,000	
	Blind Service	10,000	
	Domestic Violence	10,223	
	Transportation	468,578	
	Veteran Service Office	45,896	
	<i>Subtotal</i>		11,463,375
<u>Parks and Recreation</u>			
	Parks and Recreation	485,823	
	John Blue Cotton Festival	69,626	
	Adult Athletics and Senior Events	50,500	
	<i>Subtotal</i>		605,949
<u>Contributory Allocations</u>			
	<u>Economic Development:</u>		
	Chamber of Commerce	99,562	
	Incentive Grants	302,045	
	Southeastern Economic Development Corporation	3,960	

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	<i>Subtotal</i>	405,567
 <u>Government Related:</u>		
Mental Health – Local Funds	72,917	
ABC Bottle Tax	8,950	
Cooperative Extension	137,875	
Cooperative Extension Grants	2,571	
Soil Conservation	86,919	
Rescue Squad	35,140	
Forestry Service	76,814	
Medical Examiner	29,500	
Lumber River Council of Governments	23,065	
Scotland Memorial Library -- Local	269,815	
Library State Grant	105,000	
Richmond Community College	95,925	
Criminal Justice Partnership Program Grant	137,361	
Home Community Care Block Grant -- LRCOG	300,000	
Historical Properties Commission	14,000	
Scots for Youth – OJJ Funds	171,063	
	<i>Subtotal</i>	1,566,915
 <u>Non-Government Related:</u>		
Literacy Council	6,000	
African American Heritage Committee	2,000	
Humane Society	62,308	
	<i>Subtotal</i>	70,308
 <u>Reserves:</u>		
Revaluation Reserve	108,334	
	<i>Subtotal</i>	108,334
 <u>Debt Service:</u>		
Debt Service	2,106,955	
	<i>Subtotal</i>	2,106,955
 TOTAL GENERAL FUND EXPENDITURES:		 27,891,213

Amount	Subtotals/Total
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Section 2. General Fund Revenue

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It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2005 and ending June 30, 2006:

Current Year Tax Levy - General	9,350,050	
Prior Year Taxes	837,413	
Local Option Sales Tax – Unrestricted	5,540,606	
Local Option Sales Tax – Restricted	1,324,114	
User Fees and Unrestricted Intergovernmental Revenues	1,913,384	
Restricted Intergovernmental Revenues	8,432,929	
Program Grants and Retained Earnings	492,717	
TOTAL GENERAL FUND REVENUE:		27,891,213

Section 3. School Fund

Expenditures

The following amounts are hereby appropriated in the School Fund for the Fiscal Year Beginning July 1, 2005, and ending June 30, 2006

School Floor	9,386,584	
Fines & Forfeitures Pass Through	462,000	
TOTAL SCHOOL FUND EXPENDITURES:		9,848,584

Revenue

It is estimated that the following revenues will be available in the School Fund for the Fiscal Year beginning July 1, 2005, and ending June 30, 2006:

Current Year Levy	9,386,584	
Fines & Forfeitures	462,000	
TOTAL SCHOOL FUND REVENUE:		9,848,584

TOTAL GENERAL FUND AND SCHOOL FUND EXPENDITURES:		37,739,797
TOTAL GENERAL FUND AND SCHOOL FUND REVENUES:		37,739,797

The General Fund and School Fund will be consolidated for all State reporting purposes.

Section 4. Solid Waste Fund

Expenditures

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The following amounts are hereby appropriated in the Solid Waste Enterprise Fund for the Fiscal Year beginning July 1 2005, and ending June 30, 2006:

	Personnel	644,930	
	Operating Expense	1,354,269	
	Capital Outlay	68,719	
	Transfer to General Fund		
TOTAL S/W FUND EXPENDITURES:			2,067,918

Revenue

It is estimated that the following revenues will be available in the Solid Waste Enterprise Fund for the Fiscal Year beginning July 1, 2005, and ending June 30, 2006:

	Sale of Recyclables and Tipping Fees	2,022,918	
	State White Goods Fees	45,000	
TOTAL S/W FUND EXPENDITURES:			2,067,918

Section 5. Water District I

Expenditures

The following amounts are hereby appropriated in the Water District I Fund for the Fiscal Year beginning July 1, 2005, and ending June 30, 2006:

	Operating Expense	326,085	
	Capital Outlay	100,000	
	Debt Service	125,915	
TOTAL WDI FUND EXPENDITURES:			552,000

Revenue

It is estimated that the following revenues will be available in the Water District I Fund for the Fiscal Year beginning July 1, 2005, and ending June 30, 2006:

	Water Sales and Tap Fees	507,000	
	Appropriated Fund Balance	45,000	
TOTAL WDI FUND REVENUE:			552,000

Section 6. Water District II

Expenditures

The following amounts are hereby appropriated in the Water District II Fund for the Fiscal Year beginning July 1, 2005, and ending June 30, 2006:

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	Operating Expense	171,501	
	Capital Outlay	219,000	
	Debt Service	278,745	
TOTAL WDII FUND EXPENDITURES:			669,246

Revenue

It is estimated that the following revenues will be available in the Water District II Fund for the Fiscal Year beginning July 1, 2005, and ending June 30, 2006:

	Grant	216,000	
	Water Sales and Tap Fees	451,000	
	Appropriated Fund Balance	2,246	
TOTAL WDII FUND REVENUE:			669,246

Section 7. Scotland County Fire Service District

Expenditures

The following amounts are hereby appropriated in the Scotland County Fire Service District Fund for the Fiscal Year beginning July 1, 2005, and ending June 30, 2006:

	Operating Expense	215,298	
	Capital Outlay	12,000	
TOTAL FIRE SERVICE DISTRICT TAX FUND EXPENDITURES:			227,298

Revenue

It is estimated that the following revenues will be available in the Scotland County Fire Service District Fund for the Fiscal Year beginning July 1, 2005, and ending June 30, 2006:

	Tax Levy	174,298	
	Sales Tax	53,000	
TOTAL FIRE SERVICE DISTRICT TAX FUND REVENUES:			227,298

Section 8. 911 Emergency Communications

Expenditures

The following amounts are hereby appropriated in the Scotland County 911 Emergency Communications Fund for the Fiscal Year beginning July 1, 2005, and ending June 30, 2006:

	Personnel	10,921	
	Operating Expense	188,000	
	Reserve	115,000	

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TOTAL 911 EMERGENCY COMMUNICATIONS FUND 313,921
EXPENDITURES:

Revenue

It is estimated that the following revenues will be available in the Scotland County 911 Communications Fund for the Fiscal Year beginning July 1, 2005, and ending June 30, 2006:

	Fees	240,000	
	Appropriated Fund Balance	73,921	
TOTAL 911 EMERGENCY COMMUNICATIONS FUND REVENUES:			313,921

Section 9. Revaluation Fund

Expenditures

The following amounts are hereby appropriated in the Revaluation Fund for the Fiscal Year beginning July 1, 2005, and ending June 30, 2006:

	Personnel	41,474	
	Operating Expense	66,860	
TOTAL REVALUATION FUND EXPENDITURES:			108,334

Revenue

It is estimated that the following revenues will be available in the Revaluation Fund for the Fiscal Year beginning July 1, 2005, and ending June 30, 2006:

	Interfund Transfer	108,334	
TOTAL REVALUATION FUND REVENUES:			108,334

Section 10. Tourism Development Authority

Expenditures

The following amounts are hereby appropriated in the Scotland County Tourism Development Authority for the Fiscal Year beginning July 1, 2005, and ending June 30, 2006:

	Expenditures	141,000	
TOTAL TOURISM DEVELOPMENT AUTHORITY EXPENDITURES:			141,000

Revenue

It is estimated that the following revenues will be available in the Scotland County Tourism Development Authority for the Fiscal Year beginning July 1, 2005, and ending June 30, 2006 based on a 3% motel/hotel Occupancy Tax:

	Revenue	141,000	
TOTAL TOURISM DEVELOPMENT AUTHORITY REVENUES:			141,000

SECTION 11. PROPERTY TAX LEVY:

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There is hereby levied an ad valorem property tax at the rate of \$ **1.10** per \$100 valuation of properties listed for taxes as of January 1, 2005. The property tax rate includes **\$.553** school tax and **\$.547** general government services tax. The levy and corresponding estimate for current year property tax collection is based on a projected **1,789,212,589** tax base and a prior year estimated collection rate of **97.0** percent on real property and **80.1** percent on motor vehicles.

There is hereby levied an additional \$.02 cent Fire Service Tax on all property outside the corporate limits of Wagram, Gibson, and Laurinburg, including property within the corporate limits of East Laurinburg, to fund volunteer fire departments. It is recommended that in the future this fire service tax never exceed \$.04 cents and that the Fire Service Fund Balance not exceed \$500,000. These policies are provided to give future guidance to the Budget Officer and for consideration by the governing body.

SECTION 12. PERSONNEL & COMPENSATION

FY 2005-2006 includes 0 percent cost of living adjustment for permanent County employees

SECTION 13. FEE SCHEDULES

Solid Waste

Fiscal Year 2005-06 tipping fees for the Solid Waste Management Fund shall be \$37.00 per ton for municipal and solid waste, \$33 per ton for construction and demolition, and \$18.00 per ton for yard waste. Fees for solid waste disposed at the six (6) recycling and solid waste collection centers shall be a minimum of six cents (.06) per pound, or fifty cents (.50) per bag. These fees shall be in effect from July 1, 2005, through June 30, 2006, per the attached fee schedule.

Inspections

PERMIT FEE PROVISIONS for the Scotland County Inspections Department have been adjusted for Fiscal Year 2005-06, as per attached fee schedule.

Water Districts I and II

Fee schedules attached.

Parks & Recreation

The Board has instituted youth participation fees for fiscal year 2005-06, as per attached fee schedule.

SECTION 14. BUDGET OFFICER

The Budget Officer is hereby authorized to review and process transfers of appropriations as stipulated below:

- a) He may transfer amounts between objects of expenditure within departments, without limitations and without a separate report.
- b) He may transfer amounts up to \$1,000 between departments lying within the same fund. In such cases, a separate report of such transfer shall be submitted to the County Commissioners at its next regular meeting.

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- c) He may *not* transfer any amount between funds and may transfer no more than \$1,000 from the General Fund Contingencies Account.
- d) He shall provide the governing body with a Midyear Financial Review.
- e) He may, during the month of June, make any necessary interdepartmental budget transfers and amendments in order to close out the fiscal year. All such adjustments shall be reported to the governing body in a separate report.
- f) He may, with approval of the Finance Officer, transfer amounts between agency accounts supervised by a single department without limitation and without a separate report. These agency accounts include, for example, law enforcement, public health and public assistance.

SECTION 15. BUDGET ORDINANCE

This Budget Ordinance has been prepared in compliance with the Fiscal Control Act. Copies of the Budget Ordinance shall be furnished to the Budget Officer, Clerk to the Board, Finance Officer, and Tax Collector.

Adopted this the 14th day of June 2005

Mr. Patterson asked the Commissioners to consider approval of reclassifications in DSS, Health Department, Public Works and Transportation, which have already been budgeted and would not affect the tax rate.

Mr. Patterson asked the Commissioners to consider granting County employees three extra days off between Christmas and New Years since employees did not receive a cost of living increase in FY 2005-2006.

Motion was made by Commissioner Jordan and duly seconded by Commissioner Butler to approve three extra days off between Christmas and New Years 2006. Vote: Motion unanimously approved.

Mr. Patterson asked that the Commissioners authorize the New Year's Day holiday as December 30, 2005 instead of January 2, 2006 in order to give County employees an uninterrupted week off over the holidays.

Motion was made by Commissioner Alford and duly seconded by Commissioner Butler to authorize the New Year's Day holiday for Scotland County as December 30, 2005 instead of January 2, 2006. Vote: Motion unanimously approved.

Mr. Patterson asked that a Heavy Equipment Operator be added to the Public Works staff. Mr. Patterson said County Engineer Jim Blackwell assured the current Public Works budget would absorb the salary.

Motion was made by Vice Chair Gholston and duly seconded by Commissioner Alford to approve the hiring of an additional Heavy Equipment Operator in Public Works. Vote: Motion unanimously approved.

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Mr. Patterson said that if the Board does not state otherwise, all reclassifications in DSS and the Health Department would move forward.

Motion was made by Commissioner Butler and duly seconded by Commissioner McDow to approve the Health Department, DSS, Transportation and Public Works reclassifications. Vote: Motion unanimously approved.

Budget Amendments

Mr. Patterson asked the Commissioners to consider approval of the following budget amendments for maintenance purposes.

- a.) **Medical Examiner: Approve additional \$2,000 for Medical Examiner to cover expenditures, and authorize the Finance Officer to make necessary budget arrangements to receive and expend this money.**
- b.) **Humane Society: Approve additional \$1,700 in funding, which is a budget adjustment for pass through monies, and authorize the Finance Officer to make necessary budget arrangements to receive and expend this money.**
- c.) **Library: Approve additional \$15,000 in funding, which is a budget adjustment for pass through monies, and authorize the Finance Officer to make necessary budget arrangements to receive and expend this money.**

Motion was made by Commissioner Jordan and duly seconded by Commissioner Alford to approve the Budget Amendments as presented. Vote: Motion unanimously approved.

Commissioner Alford said that for the sake of employees a cost of living increase must be included in next year's budget regardless of which way the tax rate goes.

Hurricane Relief Funding Grant

LRCOG Regional Planning Director Jan Maynor said there currently are 20 applicants locally for hurricane relief funds. She said State imposed limits on maintaining a Deed of Trust on the property, insuring the property and payment of property taxes might eliminate some of the applicants. She said the State would provide up to \$75,000 for replacement and up to \$35,000 for repairs to homes that sustained hurricane damage in 2004. Ms. Maynor said funds are included in the grant to cover administration.

Finance Officer/Assistant County Manager Patterson said the Commissioner must select the State, LRCOG or County staff to conduct grant administration. Application deadline is June 30, 2005.

Motion was made by Commissioner Jordan and duly seconded by Commissioner Alford to approve application for State Hurricane Relief funds and authorize the

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Lumber River Council of Governments to administer the program. Vote: Motion unanimously approved.

Motion was made by Commissioner Jordan and duly seconded by Commissioner McDow to recess to 3:30 p.m. Friday, June 17, 2005 in the County Annex. Vote: Motion unanimously approved.

Respectfully Submitted,

Ann W. Kurtzman
Clerk

J.D. Willis
Chairman