

**MINUTES
Scotland County Board of Commissioners
Reconvened Meeting, June 21, 2010
507 West Covington Street, Laurinburg NC**

At 1 p.m. Chairman J. D. Willis reconvened the meeting. Commissioners in attendance: Chairman Willis and Commissioners John Alford, Bob Davis, Guy McCook and Clarence McPhatter. Commissioners not in attendance: Vice Chair Betty Blue Gholston and Commissioner Joyce McDow. Staff in attendance: County Manager Kevin Patterson, County Attorney Edward Johnston, Clerk to the Board Ann W. Kurtzman and Deputy Finance Officers Nancy Bostick and Charles Nichols.

Public Hearing: Issuance of \$3 million debt for Wagram School expansion

Chairman J.D. Willis said the first item of business was the Public Hearing on the Issuance of \$3 million debt for Wagram School expansion. County Attorney Johnston explained how the issuance of the debt and the repayment of the \$3 million would work. He said the resolutions ensure the Board of Education will use available lottery funds or school current expense for debt repayment.

The Public Hearing was called. Mr. Johnston asked if anyone wished to speak for or against the issuance of \$3 million debt for Wagram School expansion. No one came forward and the Public Hearing was closed.

Commissioner J.D. Willis introduced the following resolution the title of which was read and copies of which had been distributed to each Commissioner.

Motion was made by Commissioner Alford and duly seconded by Commissioner Davis to approve the Resolution Accepting the Proposal of Branch Banking and Trust Company in Connection with an Installment Financing for the Acquisition, Construction, Renovation and Equipping of Certain Public School Facilities. Vote: Motion unanimously approved.

WHEREAS, the County of Scotland, North Carolina (the "County") intends to enter into an installment financing agreement pursuant to Section 160A-20 of the General Statutes of North Carolina for the purpose of providing funds to pay the costs of constructing and equipping certain public school improvements, including an expansion to Wagram Primary School (the "Project"); and

WHEREAS, the County has solicited proposals from various financial institutions to provide the financing for such improvements; and

WHEREAS, upon careful review and consideration of the proposals submitted by banks to provide such financing, the County desires to accept the proposal of Branch Banking and Trust Company (the "Lender");

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NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the “Board”) for the County of Scotland, North Carolina (the “County”) as follows:

1. The proposal of the Lender to provide financing through an installment financing agreement in the principal amount not to exceed of \$3,000,000 for the purpose of providing funds to pay the costs of the Project and associated financing costs is hereby accepted, subject to further approval of the particular documentation related thereto by the Board.

2. The County Manager and the Finance Director of the County are each hereby authorized and directed to execute and deliver such documentation as may be necessary to accept the proposal of the Lender.

3. This resolution shall take effect immediately upon its passage.

Commissioner J.D. Willis introduced the following resolution the title of which was read and copies of which had been distributed to each Commissioner:

Motion was made by Commissioner Alford and duly seconded by Commissioner Davis to approve the Resolution Making Certain Findings and Determinations Regarding the Financing of the Acquisition, Construction, Renovation and Equipping of Certain Public School Facilities Pursuant to an Installment Financing Agreement and Requesting the Local Government Commission to Approve the Financing Arrangement. Vote: Motion unanimously approved.

WHEREAS, the County of Scotland, North Carolina (the “County”) desires to issue installment purchase debt for the construction of a new wing of classroom and educational space at Wagram Primary School (the “Project”) in Wagram, North Carolina to better serve the citizens of the County; and

WHEREAS, the County desires to finance the Project by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

BE IT RESOLVED by the Board of Commissioners (the “Board”) for the County of Scotland, North Carolina (the “County”) as follows:

Section 1. The Board does hereby find and determine as follows:

(a) The proposed contract is necessary or expedient because, due to current class size limits, the Wagram Primary School has been split into two different schools. The current Wagram Primary School houses Pre-K through third grade with fourth and fifth grades at a former middle school. This requires additional administration at each school and increased transportation costs. The additional educational space will allow the reconsolidation of these

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schools. Through additional moves this will allow for the closure of an outdated school building, further creating savings.

(b) The proposed contract is preferable to a bond issue for the same purpose because the size of this debt issue would not allow for proper savings on the more favorable rates of a General Obligation Bond versus the costs of issuing a General Obligation Bond. Currently the County has \$10.6 million of funds balance as of June 30, 2009 with \$4.9 million unreserved undesignated fund balance. If the Board chose to use fund balance for this project the available fund balance would be below the balance the Board wishes to maintain and that would be financially prudent. This financing also takes advantage of Qualified School Construction Bonds (“QSCB”) financing. Working with Branch Banking and Trust Company, as the lender, a ten year installment purchase with QSCB reimbursement is expected to have an effective rate of zero percent (0%). The Scotland County School Board has agreed to use lottery proceeds to finance this issuance. If lottery proceeds are not sufficient with other restricted revenues to provide for the debt service and the capital needs of the school system, then the School Board has agreed to request that current expense funds be allocated to meet debt retirement and capital needs.

(c) The sums to fall due under the contract are adequate and not excessive for the proposed purpose because this financing takes advantage of Qualified School Construction Bond financing and the effective interest rate of the ten year financing is expected to be zero percent.

(d) The County’s debt management procedures and policies are good because all debt management practices have been made in accordance with State law. The County has taken advantage of the declining financial market and refinanced all GO Bonds within the last 24 months. These financings were done through a private placement and a public offering. The different methods were due to changes in the market rates at the time of issuances. The contracting for the Project will be reviewed jointly by the County and the Scotland County School Systems.

(e) Should restricted revenues not be sufficient to pay the increase in taxes necessary to meet the sums to fall due under the proposed contract will be 1.67 cents per \$100 valuation and is not deemed to be excessive.

(f) The County is not in default in any of its debt service obligations.

(g) The attorney for the County has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

Section 2. The Board hereby authorizes, ratifies and approves the filing of an application with the Local Government Commission for approval of the Installment Financing Agreement (the “Agreement”) and requests the Local Government Commission to approve of the Agreement and the proposed financing in connection therewith.

Section 3. This resolution shall take effect immediately upon its passage.

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Public Hearing: FY 2010-2011 Proposed Budget (continued)

Chairman Willis called the Public Hearing on the FY 2010-2011 budget and asked if anyone wished to speak in favor or against the budget. No one came forward and the Public Hearing was closed.

County Manager Patterson distributed two letters – one from Marc Christiansen, the other from the Deercroft Homeowner’s Association – and a petition signed by 36 Palmer Road center users, submitted by Ms. Gladys Blackmon, asking that Palmer Road Recycling Center remain open.

Commissioner Davis said he received several calls from residents who oppose the closing of the Palmer Road Recycle Center. Commissioner Davis suggested it might be kept open at least one day a week.

Mr. Patterson said it costs \$9,000 to keep it open three days a week and it would cost about \$5,000 to keep it open one day a week.

Chairman Willis said if it comes to \$5,000 versus \$9,000, the County might as well keep Palmer Road open three days a week because the one day it would be open might not work for all Palmer Road customers.

Commissioner McPhatter asked is Palmer Road is the only site losing money. County Manager Patterson said it is not the only recycle center losing money, but it is just the one losing the most money.

Mr. Patterson suggested the County might arrange for a private waste hauler to put a container in the Deercroft community. Chairman Willis said there are people who live outside Deercroft who use Palmer Road, too.

Commissioner Davis added that placement of a dumpster would defeat the intent of the recycling program.

County Engineer Jim Blackwell said an initial \$80,000 investment in 1994 opened the recycle centers.

Motion was made by Commissioner Alford and duly seconded by Commissioner McPhatter to leave the Palmer Road Recycle Center open. Vote: Motion unanimously approved.

Motion was made by Commissioner McPhatter and duly seconded by Commissioner Alford to approve the FY 2010-2011 Budget Ordinance, which is \$41,616,052, of which \$13,864,500 is for school funding, and setting the tax rate at \$1.02. Vote: Motion unanimously approved.

Appointments: LRCOG Workforce Development Board

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County Manager Patterson said the LRCOG Workforce Development Board structure was reorganized to include a Richmond Community College education seat for Scotland County.

Mr. Patterson said it has been requested that RCC President Dale McInnis be appointed to the education seat with a term through June 30, 2012.

Motion was made by Chairman Willis and duly seconded by Commissioner Davis to appoint Dr. Dale McInnis to the education seat on the LRCOG Workforce Development Board for a two-year term. Vote: Motion unanimously approved.

Mr. Patterson said that the names of Mr. John Alford and Ms. Susan Covington have been suggested to replace DSS Director Joe Knott as the service agency appointee. His term would end June 2011.

Motion was made by Chairman Willis and duly seconded by Commissioner Davis to appoint Mr. John Alford to the unexpired service agency seat on the LRCOG Workforce Development Board for a two-year term. Vote: Motion unanimously approved.

In the private sector there is one seat, said Mr. Patterson. The names of Mr. Joe Manis and Ms. Judie Beck have been submitted for consideration. Mr. Manis has served three terms on the Board. Ms. Beck completed her first term.

Motion was made by Commissioner Davis and duly seconded by Commissioner Alford to appoint Mr. Joe Manis to a two-year term as the private sector representative on the LRCOG Workforce Development Board for a two-year term. Vote: Motion unanimously approved.

Update from the County Manager

County Manager Patterson said it is likely the State will not make its June budget timeline. Mr. Patterson said it is still not known whether the State will receive the half billion dollars in federal Medicaid funds.

Mr. Patterson said he received a number of ethics policies from other counties, and he and the County Attorney will consolidate the information into a policy for review by the Commissioners.

Mr. Patterson said there is a vacancy in Social Services for a Food Stamps position. Mr. Patterson said filling the position is critical since income guidelines have doubled. The agency expects to process an increased number of applications as a result.

The County Manager said Mitch Johnson has been promoted from Captain to Chief Deputy at a lower salary than the former Chief Deputy. Additionally, Chief Jailor Lloyd Goins has assumed some responsibilities once conducted by the former Chief Deputy. Mr. Patterson asked the Commissioners to approve a salary increase for the Chief Jailor, which would come from the lapsed salary of the Chief Deputy.

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Motion was made by Commissioner Alford and duly seconded by Commissioner McPhatter to approve recruitment of a Food Stamps position and to approve a salary increase for the Chief Jailer. Vote: Motion unanimously approved.

Motion was made by Commissioner Davis and duly seconded by Commissioner Alford to adjourn. Vote: Motion unanimously approved. Meeting adjourned at 1:20 p.m.

Ann W. Kurtzman
Clerk to the Board

J.D. Willis
Chairman

**SCOTLAND COUNTY, NC, BUDGET ORDINANCE
JULY 1, 2010 – JUNE 30, 2011**

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

	Amount	Subtotals
<u>Section 1. General Expenditures</u>		
<u>General Government</u>		
Governing Body	84,142	
Administration	722,747	
General Services	481,071	
Tax Department	639,256	
Board of Elections	202,061	
Register of Deeds	240,818	
Inspections	302,963	
Planning and Zoning	8,171	
Legal	35,000	
Court Facilities	105,000	
Information Technology	277,150	
Public Buildings	1,521,151	
<i>Subtotal</i>		4,619,530
<u>Law Enforcement</u>		
Sheriff's Department	2,852,896	
Drug Fund	10,000	
Jail	1,828,063	
<i>Subtotal</i>		4,690,959
<u>Emergency Services</u>		
Emergency Medical Services	1,747,206	
<i>Subtotal</i>		1,747,206
<u>Health and Human Services</u>		
Health Department	3,333,374	
Department of Social Services	8,761,177	

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Veteran Service Office	51,181	
Transportation	602,180	
<i>Subtotal</i>		12,747,912
<u>Cultural & Recreational Activities</u>		
Parks and Recreation	581,033	
Splash Pad	40,009	
Recreation Complex	83,970	
Adult Athletics and Senior Events	25,869	
Scotland Memorial Library -- Local	479,281	
Historic Properties	18,000	
Wagram Rec Complex	53,725	
John Blue Cotton Festival	-	
<i>Subtotal</i>		1,281,887
<u>Contributory Allocations</u>		
<u>Economic Development:</u>		
Incentive Grants	600,000	
NC One Fund - Pass Through	-	
Southeastern Economic Development Corporation	3,960	
<i>Subtotal</i>		603,960
<u>Government Related:</u>		
Mental Health – Local Funds	72,920	
ABC Bottle Tax	8,000	
Cooperative Extension	191,070	
Cooperative Extension Grants	-	
Soil Conservation	105,258	
Rescue Squad	50,000	
Forestry Service	80,775	
Medical Examiner	35,000	
Lumber River Council of Governments	29,500	
Richmond Community College	165,384	
Criminal Justice Partnership Program Grant	150,000	
Home Community Care Block Grant -- LRCOG	-	
JCPC Pass Through Funding	215,000	
<i>Subtotal</i>		1,102,907
<u>Non-Government Related:</u>		
Community Assistance Grants	159,450	
Humane Society	90,000	
Home Community Care Block Match	15,340	

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	<i>Subtotal</i>	264,790
	<u>Reserves:</u>	
	Revaluation Reserve	50,000
	Subtotal	50,000
	<u>Debt Service:</u>	
	Debt Service	642,401
	Subtotal	642,401
TOTAL GENERAL EXPENDITURES:		27,751,552
	Subtotals/Total	

Section 2. School Funding

Expenditures

The following amounts are hereby appropriated in the School Fund for the Fiscal Year Beginning July 1, 2010, and ending June 30, 2011

	School Funding Formula	10,688,920
	Capital Expenditures	579,500
	Lottery Funded Capital Expenditures	825,000
	Debt Service	1,371,080
	Fines & Forfeitures Pass Through	400,000
TOTAL SCHOOL EXPENDITURES:		13,864,500
TOTAL GENERAL FUND EXPENDITURES (GENERAL AND SCHOOL EXPENDITURES):		41,616,052

Section 3. General Fund Revenue

It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2010 and ending June 30, 2011:

	Property Taxes - Undesignated	10,155,221
	Property Taxes - Designated	10,880,637
	Local Option Sales Tax – Unrestricted	4,884,990
	Local Option Sales Tax – Restricted	1,318,810
	User Fees and Unrestricted Intergovernmental Revenues	1,748,155
	Restricted Intergovernmental Revenues	9,814,007

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Program Grants and Retained Earnings	2,814,232	
TOTAL GENERAL FUND REVENUE:		41,616,052

Section 4. Solid Waste Fund

Expenditures

The following amounts are hereby appropriated in the Solid Waste Enterprise Fund for the Fiscal Year beginning July 1, 2010, and ending June 30, 2011:

Personnel	566,220	
Operating Expense	1,641,200	
Capital Outlay	46,000	
Transfer to General Fund		
TOTAL S/W FUND EXPENDITURES:		2,253,420

Revenue

It is estimated that the following revenues will be available in the Solid Waste Enterprise Fund for the Fiscal Year beginning July 1, 2010, and ending June 30, 2011:

Sale of Recyclables and Tipping Fees	2,168,420	
State White Goods/Tire Fees	85,000	
TOTAL S/W FUND REVENUES:		2,253,420

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, 2010, and ending June 30, 2011:

Personnel	68,662	
Operating Expense	340,660	
Capital Outlay	5,000	
Debt Service	126,091	
TOTAL WDI FUND EXPENDITURES:		540,413

Revenue

It is estimated that the following revenues will be available in the Water District I Fund for the Fiscal Year beginning July 1, 2010, and ending June 30, 2011:

Water Sales and Tap Fees	540,413	
Appropriated Fund Balance	-	

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TOTAL WDI FUND REVENUE: 540,413

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, 2010, and ending June 30, 2011:

Operating Expense	221,900
Capital Outlay	
Debt Service	278,337

TOTAL WDII FUND EXPENDITURES: 500,237

Revenue

It is estimated that the following revenues will be available in the Water District II Fund for the Fiscal Year beginning July 1, 2010, and ending June 30, 2011:

Water Sales and Tap Fees	500,237
Appropriated Fund Balance	-

TOTAL WDII FUND REVENUE: 500,237

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, 2010, and ending June 30, 2011:

Operating Expense	263,000
Capital Outlay	11,000

TOTAL FIRE SERVICE DISTRICT TAX FUND EXPENDITURES: 274,000

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, 2010, and ending June 30, 2011:

Tax Levy	219,000
Sales Tax	55,000

TOTAL FIRE SERVICE DISTRICT TAX FUND REVENUES: 274,000

Section 8. 911 Emergency Communications

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Expenditures

The following amounts are hereby appropriated in the Scotland County 911 Emergency Communications Fund for the Fiscal Year beginning July 1, 2010, and ending June 30, 2011:

	Personnel		
	Operating Expense	273,222	
	Capital	100,000	
	Reserve		
TOTAL 911 EMERGENCY COMMUNICATIONS FUND EXPENDITURES:			373,222

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, 2010, and ending June 30, 2011:

	Fees	281,146	
	Appropriated Fund Balance	92,076	
TOTAL 911 EMERGENCY COMMUNICATIONS FUND REVENUES:			373,222

Section 9. Revaluation Fund

Expenditures

The following amounts are hereby appropriated in the Revaluation Fund for the Fiscal Year beginning July 1, 2010, and ending June 30, 2011:

	Personnel	91,910	
	Operating Expense	89,838	
	Capital	25,000	
TOTAL REVALUATION FUND EXPENDITURES:			206,748

Revenue

It is estimated that the following revenues will be available in the Revaluation Fund for the Fiscal Year beginning July 1, 2010, and ending June 30, 2011:

	Interfund Transfer	50,000	
	Appropriated Fund Balance	156,748	
TOTAL REVALUATION FUND REVENUES:			206,748

Section 10. Canteen Fund

Expenditures

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*The following amounts are hereby appropriated in the
Canteen Fund for the Fiscal Year beginning July 1, 2010,
and ending June 30, 2011:*

Expenditures	80,000	
TOTAL CANTEEN FUND		80,000

Revenue

*It is estimated that the following revenues will be available
in the Canteen Fund for the Fiscal Year beginning July 1,
2010, and ending June 30, 2011:*

Revenue	80,000	
TOTAL CANTEEN FUND REVENUES:		80,000

Section 11. Tourism Development Authority

Expenditures

*The following amounts are hereby appropriated in the
Scotland County Tourism Development Authority for the
Fiscal Year beginning July 1, 2010, and ending June 30,
2011:*

Expenditures	338,600	
TOTAL TOURISM DEVELOPMENT AUTHORITY EXPENDITURES:		338,600

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, 2010, and ending June 30,
2011 based on a 6% motel/hotel Occupancy Tax:*

Revenue	338,600	
TOTAL TOURISM DEVELOPMENT AUTHORITY REVENUES:		338,600

SECTION 12. PROPERTY TAX LEVY:

There is hereby levied an ad valorem property tax at the rate of \$ **1.02** per \$100 valuation of properties listed for taxes as of January 1, 2010. The property tax rate includes \$**.56** school tax and \$**.46** general government services tax. The levy and corresponding estimate for current year property tax collection is based on a projected 1,961,762,800 tax base and a prior year estimated collection rate of 95.08 percent on real property and 76.28 percent on motor vehicles.

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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 13. PERSONNEL & COMPENSATION

FY 2010-2011 - Additional 24 hours of vacation leave to be accrued with the closure of departments as coordinated with the County Manager. For departments that can not close the 24 hours will accrue on December 16, 2009.

FY 2010-2011 - County Commissioners annual compensation is \$10,820 for the Chairman and \$7,191 for each Commissioner.

SECTION 14. FEE SCHEDULES

Solid Waste

Fee schedules attached

Inspections

Fee schedules attached

Water Districts I and II

Fee schedules attached.

Parks & Recreation

Fee schedules attached.

Emergency Medical Services

Fee schedules attached.

General & Administrative Fees

Fee schedule attached.

SECTION 15. 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.

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- 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.
- 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 16. 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 21st day of June 2010