

*Scotland County Board of Commissioners mid-year planning retreat
Friday, February 27, 2015, Small Business Innovation Center, Laurinburg, NC*

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Commissioners in attendance: Chairman Guy McCook, Vice Chair Carol McCall and Commissioners John Alford, Bob Davis, Betty Blue Gholston and Whit Gibson (*arrived at 9 a.m.*). Commissioners not in attendance: Commissioner Clarence McPhatter. Staff in attendance: County Manager Kevin Patterson, Finance Officer Beth Hobbs and Clerk to the Board Ann Kurtzman.

At 8:30 a.m. Chairman McCook called the mid-year planning retreat to order. Commissioner Alford delivered the opening prayer.

Recommendation: Appoint Lindsay Page Pratt III Register of Deeds

County Manager Patterson said the Democratic Party recommended that Mr. Lindsay Page Pratt be appointed Register of Deeds.

Motion was made by Vice Chair McCall and duly seconded by Commissioner Alford to appoint Mr. Lindsay Page Pratt as Register of Deeds. Vote: Motion unanimously approved.

Sheriff's request: Application for a NC Department of Public Safety grant

Ms. Hobbs said the Sheriff's Department has opportunity to apply for another \$25,000 grant. This application requires the County make a 25 percent match, which is \$6,200. The State Department of Public Safety would provide the remaining funds. Ms. Hobbs said the Sheriff's Department would use the grant to install a camera system in Jail. Ms. Hobbs said she expects the match to come out of the Sheriff's budget.

Motion was made by Commissioner Alford and duly seconded by Commissioner Davis to approve the Sheriff's application process and 25 percent match with the State Department of Public Safety. Vote: Motion unanimously approved.

Liaison Committee report

Vice Chair McCall said the Liaison Committee came to a verbal understanding that after the \$10.8 million in school current expense for FY 2016, the following two years would be reduced by 2.25 percent from the \$10.8 million. Vice Chair McCall said the eventual goal would be to get local school current expense below \$10 million in the long term, but taking a formula out beyond FY 2018 would be too speculative.

Vice Chair McCall said the Commissioners would be asked to take a formal vote on the concept of the mediated formula at the March 2 meeting, and the Board of Education is expected to take a formal vote at its March meeting.

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Vice Chair McCall said although the County is still funding at an extraordinary, the funds will be reduced by this formula. Commissioner Davis suggested that \$9.8 million be a beginning figure when the formula is renegotiated.

If approved by the Commissioners and the Board of Education, the attorneys would develop the language for a document that would have to be approved by both boards.

Budget update

Ms. Hobbs presented actuals and revenues as of February 20. County Manager Patterson said sales tax collection is right at 50 percent so it would be close for the remainder of the year, although the State anticipates an upswing in sales tax collections.

Ms. Hobbs said revenues are at 56 percent over expenditures at \$4.6 million, which will change significantly. Departments with vacancies are some of the reasons for the surplus. Revenue projection to June 30 will be about 93 percent of what was budgeted. Expenditures will be at 93 percent, with no anticipation of much of a surplus this year.

Ms. Hobbs also reported on Fund Balance, which is projected at 22.48 percent by FY 2015. Mr. Patterson suggested the Commissioners consider setting up a capital reserve balance and an economic development reserve balance, perhaps with \$1 million in each. Vice Chair McCall suggested it be made part of the budget discussions every year.

(Commissioner Gibson arrived at 9 a.m.)

Water/sewer

Ms. Hobbs provided a cash report for both Water Districts as of February 20 with combined total revenues and expenditures not including principle and interest payments. Ms. Hobbs then reviewed the financials for the Water Districts separately. Ms. Hobbs discussed a trend analysis through 2024 for cash and net assets for each Water District. She said Water Districts I and II will decline significantly with Water District II declining more drastically.

Mr. Patterson said the trend analysis includes repair of water towers, which will cost more than \$600,000 to repair three towers. Mr. Patterson said the County is not significantly increasing cash at a rate that it can maintain the Water Districts. The County Manager said he would recommend a rate increase for the Water Districts to stabilize cash flow and meet capital needs over a period of time to take care of maintenance issues going forward. Mr. Patterson suggested the County might want to consider the creation of a consolidated water authority in the future. Commissioner Davis suggested the County reach out to Moore County for the sales of water.

Mr. Patterson said engineers are reviewing the WestPoint Stevens water treatment and sewer plant since Cascades is looking to finalize transfer of the plant and land to the County. Mr. Patterson said the short term plan is to mothball the facility until it is ready to be put up. Mr. Patterson said everything is still on track for the middle of March to connect Cascades to the LMA sewer plant and the fire suppression system to the County water system.

Solid waste

Ms. Hobbs presented a financial report for the landfill, which has \$129,000 in revenues under expenditures. Revenue projections as of June show \$132,000 of revenues under expenditures. This does not include depreciation, closure and post closure expenditures. County Manager Patterson said the County would be looking at another loss at the end of the year where the General Fund will loan money to the landfill. Mr. Patterson said the landfill currently owes the General Fund close to \$400,000, which will increase again this year by roughly \$132,000. Mr. Patterson said the negative liability will continue due to closure and post closure costs.

Mr. Patterson said for those reasons the County is looking at an availability fee as a way to increase revenues where a rate would be charged to all improved parcels. Mr. Patterson said the fee would help cover the cost of the landfill. Mr. Patterson suggested structuring an availability fee over a 15-year time frame. He said a \$55 a year availability fee on the tax bill for every improved parcel would generate the funds necessary to get to a zero net asset. Collection rate would be the same as the tax collection rate at 94 percent since the fee would be part of the tax bill.

Mr. Patterson discussed other counties in the area and what they charge in the way of availability fees, which would be for improved property, not vacant property. The County Manager said he would want to work with the Policy Committee on developing a firm recommendation during the budget process. He said an availability fee could not exceed the cost of providing the service. Mr. Patterson said a \$55 fee for every improved parcel would generate \$2.9 million over 15 years. He said cash accumulation would be reserved over closure and post closure.

Chairman McCook directed staff to look at some time frame on what some of the projected costs would be and how much the County would actually accumulate for closure. Chairman McCook suggested making recycling centers free on the residential side so people don't feel like they are paying twice. Vice Chair McCall said if recycling center fees were eliminated the County might want to increase the availability fee slightly to offset the \$85,000 cost of recycle centers. The County Manager said he sees no other way of overcoming the debt the landfill is currently putting on citizens.

(A break was called. The meeting resumed at 10:05 a.m.)

Budget update from the Sheriff

Sheriff Ralph Kersey asked the Commissioners to approve one position to replace the four telecommunicators who transitioned to the 911 Center in February. Sheriff Kersey said calls still come in to 3385. Sheriff Kersey said despite the automated service, most calls are coming to his office. Sheriff Kersey said the telecommunicators used to handle traffic at front door, and no one is there now except for two civilians who perform multiple jobs.

Sheriff Kersey asked for one position for the front door and for customer service responsibilities. Sheriff Kersey said the position would not require BLET certification.

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Sheriff Kersey said he plans to develop a strategic plan for the next four years, which would include vehicle needs. Sheriff Kersey said of the 55 vehicles in the Department, only nine have 50,000 miles or less.

Chairman McCook suggested the position request be brought to the March 2 meeting for further discussion.

Discuss budget goals

County Manager Patterson said electronic records were set up in the Health Department but not back scanning. Mr. Patterson said he is looking at an electronic records system in Finance for next year that could easily spread countywide in all departments.

Mr. Patterson said he would ask for an additional IT technician because the County network doubled in the last three years and IT is being outpaced. Mr. Patterson also will request a position for a supervisor for the 911 system. Mr. Patterson said when four distinct systems combined into one, the 911 Director was in need of support. Mr. Patterson said he would like to see if there is a way to fund the supervisor position in the current year, and he would bring the request to the Board at its March 2 meeting.

Mr. Patterson said there will be budget concerns for FY2016 with the \$10.8 million for school current expense and an anticipated nine percent increase in health insurance, which would cost another \$250,000. Mr. Patterson said he does not expect to meet the statutory obligation of funding the Health Department next year.

Commissioners identified COLAs for employees and not raising the tax rate as priorities. The Commissioners agreed longevity is also important as is reinstating or increasing 401K.

Vice Chair McCall suggested each department submit a staffing wish list since departments are providing more service with less people. The County Manager suggested departments submit a three-year staffing projection and address wage disparities within departments. Chairman McCook said the County needs to be data driven and consider what comparable workloads are in other counties in order to justify the positions. The Commissioners agreed it is important to take care of current employees before adding positions.

Discuss capital goals

Mr. Patterson said the purchase of an ambulance is planned this year as well as vehicles for Sheriff's Department. Chairman McCook said he would like to know what the 55 Sheriff vehicles are being used for and could the number be reduced.

Mr. Patterson said he is looking to purchase another ambulance next year. Mr. Patterson said the reason for the back-to-back purchase is because many of the current six ambulances are in the shop. The next budget also would include funds for the replacement or repair of fascia at the library. Mr. Patterson estimated it would cost around \$30,000 to replace. Mr. Patterson said to repave or repair the parking lot at the County Complex would cost just under \$400,000. Mr.

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Patterson said the front three would be replaced while the back parking lot would be paved over. Mr. Patterson said replacement of the Covington Street parking lot would cost about \$40,000 and the parking lot at the County Annex would cost about \$30,000. Mr. Patterson said the Courthouse parking lot is in the best shape of all.

Mr. Patterson said the contract was signed for the auction of foreclosed properties. Proceeds from the auction would be used to construct a storage facility for documents that must be kept indefinitely so the storage containers behind the Health Department could be removed. Mr. Patterson said the Tax Department will need a server upgrade and IT capital needs will continue to escalate. There is recurring capital from Public Buildings and Parks and Recreation.

Disposition of abandoned mobile homes

The County Manager addressed concerns about the mobile home lot on US74 in Laurel Hill. Mr. Patterson said the Solid Waste Enforcement Officer has been pursuing that and expects to take owners to court in March.

Because the trailers are dilapidated and not sealed off, Commissioner Davis said they should not fester on a main thoroughfare because it does not look good for the community.

Maintenance and marking of fire hydrants

County Manager Patterson said the County installs fire hydrants on County water system but it does not maintain them. Maintenance is the function of the fire departments. Commissioner Davis said that would be conveyed to the fire departments at the next Fire Commission meeting. EMS Director Roylin Hammond said it is the responsibility of the fire departments to know where the fire hydrants are and to do a flow test on them.

Motion was made by Commissioner Alford and duly seconded by Commissioner Gholston to adjourn. Vote: Motion unanimously approved. Meeting adjourned at 11:50 a.m.

Ann W. Kurtzman
Clerk to the Board

Guy McCook
Chairman