

*Scotland County Board of Commissioners reconvened meeting/budget work session
May 20, 2015, Small Business Innovation Center, US 401 Bypass North, 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. Commissioners not in attendance: Commissioner Clarence McPhatter. Staff in attendance: County Manager Kevin Patterson, Finance Officer Beth Hobbs, County Attorney Ed Johnston and Clerk to the Board Ann Kurtzman.

At 8 a.m. Chairman McCook reconvened the meeting.

Closed Session

Motion was made by Commissioner Gibson and duly seconded by Vice Chair McCall to go into closed session in accordance with N.C.G.S. 143-318.11(a)(3) to Consult with the Attorney. Vote: Motion unanimously approved.

OPEN SESSION RESUMED

Resolution requesting revenue sharing or payment in lieu of taxes on lands purchased by the State for conservancy purposes

County Manager Patterson said 20 percent of County land is in game lands or the Nature Conservancy with no revenue coming back to the County. Mr. Patterson said the tax base dwindles as the Nature Conservancy continues to buy property for the State, which does not share any revenue.

Mr. Patterson said the resolution asks for payment in lieu of taxes when the State purchases land and puts it in game lands. Mr. Patterson said a PILT could be for a number of years. Commissioner Davis suggested the County attempt to reintroduce a local bill in addition to the resolution. Commissioner Davis said Scotland County is not the only county in this boat. Mr. Patterson said the County discussed the issue with Senator Tom McInnis, who recommended the County adopt a resolution.

Motion was made by Vice Chair McCall and duly seconded by Commissioner Alford to approve Resolution requesting revenue sharing or payment in lieu of taxes on lands purchased by the State for conservancy purposes and share the resolution with other counties and the NCACC. Vote: Motion unanimously approved.

**Resolution requesting revenue sharing or payment in lieu of taxes
on lands purchased by the State for conservancy purposes**

WHEREAS more than 21,000 acres in Scotland County, an estimated 20 percent of all Scotland County acreage, are not subject to property taxes due to ownership by the State, with the largest portion of these lands in wildlife or game lands; and

WHEREAS, the State continues to buy land generally using Sustainable Sandhills or the Nature Conservancy, which forces the tax burden onto a smaller population; and

WHEREAS, it is admirable that the property would be incorporated into the Sandhills Game Land to protect water quality, wildlife habitat and provide hunting and other wildlife recreational opportunities for sportsmen; and

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WHEREAS, Scotland County historically has the highest tax rate in the State and regularly ranks high in unemployment, the acquisition of additional land effectively diminishes the tax base *in perpetuity* and presents Scotland County with continued, exceptional budgetary challenges in providing its current and future citizens with an affordable, desirable community in which to live.

NOW, THEREFORE, BE IT RESOLVED that the Scotland County Board of Commissioners asks the State to consider revenue sharing or a payment in lieu of taxes for new lands purchased, which would provide some relief.

Approved this 20th day of May, 2015.

Presentation of the Scotland County Schools 15-16 local operating budget

Superintendent Ron Hargrave shared events the schools celebrated over the previous year. He provided an update on academic achievements and school recognitions.

Chief Finance Officer Jay Toland said ADM continues to drop. Nearly 800 children have left the school system since 2002. Mr. Toland presented a fund balance analysis, which included two years of reimbursements from the federal government with restricted and unrestricted funds combined. Mr. Toland also presented the fund balance analysis for capital outlay and a personnel recap. Mr. Toland said capital outlay for this year includes some budget amendments.

(Commissioner Alford was excused at 8:55 a.m.)

Mr. Toland provided a current expense 14-15 recap, the majority of which was spent on classroom teachers. Mr. Toland said of the total budget, 22 percent is local, 10 percent is federal and 68 percent is State. He said fines and forfeitures at \$146,000, although not final, are way below what was forecast. Mr. Toland said for 2015-2016 there is a projected increases to employee matching benefits and unfunded mandates such as driver's education. He said textbooks are not funded but the school system tries to supply them.

Mr. Toland said while federal funding remains flat at 12.5 percent, the exceptional child (EC) population continues to grow to 17 percent, which means the school system provides about \$1 million to support the EC program. Dr. Hargrave said there are more children coming to school with mental health issues, yet the State does not provide funding for that. Dr. Hargrave said he anticipates hiring three clinically certified mental health workers for the school system even though trends indicate three will not be enough.

The operating budget for 2015-2016 includes no cuts to instructional services. Mr. Toland discussed salary increases for teachers and all other school staff now being considered in Raleigh. Mr. Toland said driver's education will be funded 100 percent out of the local budget at \$113,000. Mr. Toland discussed what positions the local budget would employ and supplements provided by the local budget. Mr. Toland also discussed where there were funding reductions.

The schools allocated \$511,000 from fund balance to balance the budget. There were increases in non-instructional support and a \$158,000 increase to instructional support as State funding continues to contract. Mr. Toland said as a result some instructional support has been shifted to local.

Mr. Toland said the capital outlay budget includes \$175,000 in fines and forfeitures while the education lottery was reduced to \$400,000 based on projections. Mr. Toland said capital was used for a laundry

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facility, which would be reflected in a budget amendment at the June meeting. Mr. Toland said the schools used Medicaid overflow funds for the laundry since the facility is EC related.

Juvenile Crime Prevention Council 2015-2016 allocation and appointments

Mr. Patterson said the JCPC application is \$152,332 for 2015-2016 with a 10 percent match provided by Scots for Youth. Mr. Patterson said the funds are pass-through.

Motion was made by Vice Chair McCall and duly seconded by Commissioner Gholston to approve \$152,332 in pass-through funds for Juvenile Prevention Council in 2015-2016. Vote: Motion unanimously approved.

Motion was made by Commissioner Gibson and duly seconded by Vice Chair McCall to appoint Mr. Noran Sanford, Reverend Bill Olsen, Mr. William McDonald and Mr. Jim Rush to the Juvenile Prevention Council. Vote: Motion unanimously approved.

Request to purchase Scotland Cemetery for \$25,000 in upset bid process

Mr. Patterson said Fresh Manna Baptist Church offered \$25,000 for Scotland Cemetery. No other bids were received on the property as a result of an upset bid process. Mr. Patterson said Scotland Cemetery's \$90,000 in perpetual care funds are under State oversight and can be used for ongoing maintenance.

Motion was made by Vice Chair McCall and duly seconded by Commissioner Gibson to accept the request from Fresh Manna Baptist Church to purchase Scotland Cemetery for \$25,000. Vote: Motion unanimously approved.

Motion was made by Commissioner Gibson and duly seconded by Commissioners Davis to recess to 8 a.m. Friday, May 22 at the SBIC. Vote: Motion unanimously approved.

Ann W. Kurtzman
Clerk to the Board

Guy McCook
Chairman