

*Scotland County Board of Commissioners reconvened meeting/budget work session  
May 30, 2014, 507 West Covington Street, Laurinburg, NC*

**Scotland County Board of Commissioners Reconvened Meeting/Budget Work Session  
Friday, May 30, 2014, 507 West Covington Street, Laurinburg, NC**

Commissioners present: Chairman Guy McCook, Vice Chair Carol McCall, Commissioners John Alford, John Cooley, Bob Davis and Whit Gibson. Commissioners not present: Commissioner Clarence McPhatter. Staff present: County Manager Kevin Patterson, County Attorney Ed Johnston and Clerk to the Board Ann Kurtzman.

At 8 a.m. Chairman McCook reconvened the meeting for the purpose of a budget work session. Economic Development Director Greg Icard opened with a word of prayer.

**Motion was made by Vice Chair McCall and duly seconded by Commissioner Alford to approve the May 30, 2014 agenda as presented. Vote: Motion unanimously approved.**

**Landfill**

Mr. Patterson provided budget projections for the landfill, which will have a \$290,000 loss this year, a trend that will continue. There was a \$1.5 million negative net asset, mostly due to accrued closure and post closure costs. Mr. Patterson said to make the landfill break even the County would need a \$1.8 million infusion of capital by the end of the fiscal year. Revenues dropped \$200,000 more than expenditures over the past three years because volumes are down. Closure and post closure accrues \$45,000 each year but has never been funded. There is no indication that will change going forward based on volume

Mr. Patterson said it would cost \$900,000 to close the landfill, and one position and related equipment could be eliminated at about \$60,000. Mr. Patterson said it would cost \$162,000 to ship C&D out of the County. Closing C&D at best would be break even.

Mr. Patterson said he didn't see a benefit to closing the C&D landfill. Mr. Patterson offered two alternatives. Get out of the solid waste business and invite private companies to bid on a countywide franchise for curbside collection with an option of taking control of the transfer station. It would be funded by adding the cost to the taxpayer. Pick up would only be on paved roads.

Another alternative would be for the County to keep doing what it is doing and go to an availability fee to every improved property countywide. Mr. Patterson said the scenario would eventually get the County to break-even. An availability fee would only apply to parcels with structures on them. Mr. Patterson said an availability fee could reduce the tax rate since the general fund would not have to cover landfill accounts.

Mr. Patterson and the Commissioners discussed what the availability fee would have to be to get the landfill to break-even. Mr. Patterson suggested a \$100 fee annually would possibly get the landfill to break-even in 10 years. The Commissioners suggested an availability fee would eliminate fees at the convenience sites.

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Commissioner Cooley said a parcel with a home and a parcel with apartments paying the same fee would be unfair. He suggested a fee be determined for multiple housing units.

After some discussion regarding alternatives, Mr. Patterson said he would develop an availability plan that would cover operational, capital and closing costs over the remaining life of the C&D landfill with a break even target in 10 years.

Commissioner Cooley suggested the County adopt the availability fee as of July 1 rather than kick the can down the road. Mr. Patterson said he would have to verify the number of parcels inside and outside municipalities and determine if fees for multi-family structures could be different from those of single-family structures. Mr. Patterson said programming the system would be the longest aspect of the plan.

**Motion was made by Vice Chair McCall and duly seconded by Commissioner Alford that the County commit to implement a plan to restructure all solid waste operations with the plan developed by February 2015 for implementation in the FY 2016 budget that would generate a revenue stream to include operations, capital, closure and post closure without subsidy from general fund and, if not identified, would be transferred from fund balance and find a way to cash-fund the deficit if one exists. Vote: In Favor: Chairman McCook, Vice Chair McCall and Commissioners Alford, Davis and Gibson. Vote: Against: Commissioner Cooley. Motion approved.**

County Manager Patterson said he would introduce an initial plan at the August meeting.

*(A break was called at 9:30 a.m. The meeting resumed at 9:45 a.m.)*

Mr. Patterson said since illegal dumping is a big issue he suggested charging a fee earlier in the process for a more aggressive approach, which would begin after notice of violation. Mr. Patterson said the approach would be similar to what Robeson County did by ordinance. Fees would subsidize the services provided by the solid waste officer. Mr. Patterson suggested a minimum penalty for improper storage at \$25 and \$100 for illegal dumping. Mr. Patterson said not properly covering a load also would be assessed a fee.

**Motion was made by Commissioner Cooley and duly seconded by Commissioner Gibson to move forward with a fee schedule to address improper or illegal dumping. Vote: Motion unanimously approved.**

### **Water Districts capital projects**

Mr. Patterson said water tanks on Gum Swamp and McEachin roads need repairs estimated at about \$150,000 to \$200,000 for McEachin Road and up to \$150,000 for Gum Swamp. Mr. Patterson said he would have more information as it is received along with an appropriate schedule of maintenance.

### **Fund Balance target**

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Mr. Patterson suggested a targeted minimum Fund Balance of 15 percent. Below that the County would take steps to increase Fund Balance with a target of 20 percent. At 25 percent the County would actively take steps to reduce it.

Mr. Patterson cited significant capital needs such as parking lots, roofs and economic development demands that would benefit from a higher fund balance. Mr. Patterson suggested an amount would be transferred to a capital reserve fund once the Fund Balance reaches a certain level.

**Motion was made by Commissioner Davis and duly seconded by Commissioner Alford to target an 18 percent Fund Balance where a balance below 15 percent would be replenished and when the Fund Balance reaches 20 percent, adjustments would be made to keep it in range. Vote: Motion unanimously approved.**

### **Fire Tax discussion**

Mr. Patterson showed charts for a two-cent and three-cent fire tax increases. EMS Director Roylin Hammond said the request for a three-cent fire tax increase is to accomplish three things: replace vehicles, provide a funding source for the operations gap and lower ISO ratings. Mr. Hammond said he doubted those things would be accomplished at two-cent fire tax increase covering a 14-year period.

Mr. Hammond said fire taxes in surrounding counties are 10 cents and higher. Mr. Hammond added that a fire tax less than a three-cent increase might affect the goals of the 20-year plan, which means the Fire Commission might be back in a few years with another request. Mr. Patterson said \$3.8 million right now would replace all trucks. Mr. Patterson showed a chart of fire taxes in other counties. Mr. Hammond said the fire tax would pay for the vehicles and would eliminate the use of County general funds to purchase fire trucks.

**Motion was made by Commissioner Davis and duly seconded by Commissioner Gibson to increase the Fire Tax from two cents to five cents. Vote: Motion unanimously approved.**

### **Tax rate discussion**

County Manager Patterson said a \$1.09 tax rate currently balances the budget. The fire tax would be separate, which would be \$1.14 for taxpayers outside municipal boundaries. Chairman McCook said he spoke with School Board Chairman Charles Brown about school funding and the tax rate, and Chairman Brown said he would discuss the issue with Education Board members on their willingness to compromise from the mandate.

Commissioner Alford said he couldn't see the tax rate changing from \$1.03 to anything else. Commissioner Davis said he has seen no effort on the part of the School Board to compromise. Commissioner Davis said he would consider something less but he can't and won't support a six-cent tax increase.

Vice Chair McCall said the School Board should consider the provision in the 2003 law that addresses compromise in extreme financial circumstances of which this is extreme with the tax

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rate and burden on the citizens. Vice Chair McCall said quality of life incorporates all services in Scotland County and should be taken into consideration.

Chairman McCook said he would ask the schools to maintain its current funding level, which is an extraordinary level, but not fund more than that. Commissioner Gibson said the 2003 agreement addresses the economic conditions that are in a terrible situation, and the County must safeguard the plight and interest of the taxpayers.

Mr. Patterson said the budget summary he will present June 2 will recommend a \$1.09 tax rate, according to State law, plus a five-cent fire tax. Mr. Patterson said although the law addresses compromise and mutual agreement, he doesn't have it at this time.

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

Ann W. Kurtzman  
Clerk to the Board

Guy McCook  
Chairman