

*Scotland County Board of Commissioners budget work session
May 4, 2016, Emergency Operations Center, 1403 West Boulevard, Laurinburg, NC*

**Scotland County Board of Commissioners budget work session
May 4, 2016, Emergency Operations Center, 1403 West Boulevard, Laurinburg, NC**

Commissioners in attendance: Chair Carol McCall, Vice Chair Whit Gibson and Commissioners John Alford, Bob Davis, Betty Blue Gholston and Guy McCook. Commissioners not in attendance: Commissioner Clarence McPhatter. Staff in attendance: County Manager Kevin Patterson, County Attorney Ed Johnston, Finance Officer Beth Hobbs and Clerk to the Board Ann Kurtzman.

At 9 a.m. Chair McCall reconvened the meeting.

Motion was made by Commissioner Alford and duly seconded by Vice Chair Gibson to approve the May 4, 2016 agenda as presented. Vote: Motion unanimously approved.

Goals for 2017 budget

Mr. Patterson said he would look to improve capital structure of Water Districts. \$250,000 will be expended to repaint McEachin water tank with repainting of the other two tanks in the 2018 fiscal year. Placing an antenna corral on the Deercroft water tank is not in the immediate plans. Mr. Patterson expects improved cash flow but a loss is expected with depreciation. Mr. Patterson will recommend a 15 percent water rate increase to match last year's increase and to get the water districts to profitability and get the rates equal to Laurinburg City rates.

Mr. Patterson said the solid waste program goal is to develop positive net assets. The availability fee is on target and a positive cash balance is expected within next two years. The solid waste program will be able to generate a net income this year but it will be several years before there will be positive net assets. Mr. Patterson said he expects to maintain the availability fee structure for the next two years before initiating an in-depth analysis on where it needs to be.

Mr. Patterson said he would present a budget with a one or two-cent reduction in the property tax rate and include a COLA for all employees, which would be nominal. Mr. Patterson said he hopes to focus on salary compression issues and would recommend a one-step increase for employees who have worked three years or longer and a two-step increase for employees who have worked seven years or longer. The steps would not exceed nine. The probationary period would be one year before an employee could qualify for a one step increase. A step for every other year of employment would follow through the first 13 years of employment, which would put employees at market rate and in the middle of the pay range.

Mr. Patterson said for positions where there is high turnover — social workers, public buildings and law enforcement — staff will determine how much of that is salary-related and would compare salaries with other counties so a plan for comparable compensation could be developed.

Mr. Patterson said a goal is to continue to address capital needs. The County Manager said he would look to maintain a positive financial position and, in the long term, look at ways to get the County to where it should be with a capital reserve and economic development fund balance, not just a positive fund balance, because it would be best if they are not in the general fund.

(Chair McCall was excused at 9:30 a.m.)

Mr. Patterson then reviewed the proposed 2017 budget by department and highlighted those departments with significant operational and capital requests.

*Scotland County Board of Commissioners budget work session
May 4, 2016, Emergency Operations Center, 1403 West Boulevard, Laurinburg, NC*

Administration: an accounting technician in finance, a redesign of the website and the addition of a personnel management system.

Register of Deeds: back-scanning project continues.

Sheriff: two additional officers for medical transport and seven cars, which would allow for a five-year rotation for most Sheriff's vehicles.

EMS: a remount of two diesel ambulances with gasoline chassis at about \$85,000 each.

EOC: a radio system, repairing and painting the tower and replacing the metal building that houses all the radio systems for the County with a secure concrete building. Incorporating a booster in the signal would enhance the transmission. The \$30,000 booster would be in addition to the \$145,000 capital request.

(Chair McCall returned at 10:20 a.m.)

General Services: countywide contracts will have a nominal increase on insurance through the pool, contracting services and consultants for strategic planning sessions.

(Break was called, and the meeting resumed at 10:45 a.m.)

Public Buildings: replace a vehicle and purchase an additional zero-turn mower, install a security system at Covington Street if it is to house the Tax Department and replace the courthouse control system, which would cost \$135,000. A Health Department control system replacement would cost \$105,000. Parking lots are in need of work at the government complex and at Covington Street with the government complex the primary concern.

Library: improve switches and fund two part-time employees.

Health Department: \$250,000 of Medicaid funds to hire an M.D. for a staff position so maternity and children's services could be expanded. The request would have to be approved by the State.

(County Attorney Johnston arrived at 11:05 a.m.)

DSS: three new positions — two income maintenance caseworkers to accommodate greater processing time and an officer who would provide security in DSS and the Health Department. DSS also requests an external contractor to conduct the scanning process and a replacement vehicle.

Mr. Patterson discussed the construction of fire substations — one on the north side of the County, the other on the south side of the County — where fire tax would fund construction.

The Board of Commissioners by consensus agreed it is time to move forward with the construction of a substation in the southern part of the County.

Commissioner McCook said he would like to see a Memorandum of Understanding with the City first as well as more detail on the north substation, particularly how many residents it would benefit.

Mr. Patterson said he would present a balanced budget for the May 24 budget work session. Mr. Patterson said the budget would not meet all of the goals but would include his recommendations for consideration.

*Scotland County Board of Commissioners budget work session
May 4, 2016, Emergency Operations Center, 1403 West Boulevard, Laurinburg, NC*

(Commissioner Alford was excused at 11:55 a.m.)

Mr. Patterson said cost estimates for reconfiguring the Morgan Center range from \$1.25 to \$1.5 million. Currently the County has \$1.1 million. The cost estimate does not include furniture and equipment but does include the cost for the architect, roofing systems and HVAC. The parking lot also is not included in the cost estimate.

The Commissioners asked for written projections and optional costs for the parking lot and purchase price of the building.

There is concern among Commissioners the Morgan Center project would compete with previously discussed capital goals and where the money would come from to fund the project. The Commissioners discussed how much parking would actually be needed and the cost to redesign the Tax Department space at the courthouse for another purpose.

Discussion: Funding for school expansion/new construction

Mr. Patterson said the schools project a savings of \$2.8 million annually due to reductions in staff, custodial, transportation, utilities and supplies as a result of the expansion/new school construction. Planned expansion would commence with the 2017/2018 school year.

Mr. Patterson said the LGC would have to approve the project because it is a long-term commitment. Commissioner McCook asked what the projected savings for taking the next step would be before the County gets to construction of a new school, since the \$2.8 million savings would not occur until all expansion and new construction was complete.

Vice Chair Gibson said some of the savings, which is not restricted, should be returned to the County and the taxpayers. Vice Chair Gibson commented that it needs to be made clear how the project will be paid for and where the \$2.8 million is coming from since there has to be a benefit to the County and the taxpayers in order to move the project forward.

Motion was made by Vice Chair Gibson and duly seconded by Commissioner Davis to go into Closed Session in accordance with N.C. General Statute §143-318.11(a)(3) to consult with an attorney. Vote: Motion unanimously approved.

OPEN SESSION RESUMED

Motion was made by Commissioner McCook and duly seconded by Vice Chair Gibson to recess to 12 p.m. Monday, May 9, at the A.B. Gibson Center. Vote: Motion unanimously approved.

Ann W. Kurtzman
Clerk to the Board

Carol McCall
Chair