

**Scotland County Board of Commissioners reconvened meeting/budget work session
June 1, 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 Betty Blue Gholston and Whit Gibson. Commissioners not in attendance: Commissioners John Alford (*excused*), Bob Davis (*excused*) and Clarence McPhatter. Staff in attendance: County Manager Kevin Patterson, Finance Officer Beth Hobbs and Clerk to the Board Ann W. Kurtzman.

At 2 p.m. Chairman McCook reconvened the meeting.

County Manager Patterson said the proposed 2016 budget is \$40,403,688 with a \$1.03 tax rate. Primary changes in the FY 2016 budget include a two percent increase in school current expense, one percent COLA, a progression plan for employees, an increase in FCC incentives, two additional positions at the 911 Center, who would be assigned to peak hours and coverage for vacations, three elections, one IT technician and a \$385,500 total capital request. \$300,000 was used from Fund Balance to fund operations. Sales and property tax would account for \$27.7 million of the \$40 million.

Mr. Patterson reviewed the budget by department and explained any significant differences from 2015 to 2016. An Inspections fee schedule was distributed that reflects two additional categories: one for specific time request during normal hours at \$50 and one for after hours, weekends and holidays inspections at \$200 for commercial and \$100 for residential. Mr. Patterson said the fees would not apply to storm response where a fee is not charged. Chairman McCook said the added fees should still be based on the availability.

Chairman McCook asked staff to look at replacement vehicles versus maintenance costs.

Public Buildings and Grounds Supervisor Mike McGirt said he would get some figures on what it would take to fix the hot water problem in the Jail.

Chairman McCook asked for follow up on the Land Use Plan so it can move forward.

Mr. Patterson said in the FY 2016 budget he requests a one percent COLA at \$120,000, which would be applied to pay scale as of July 16, 2015. Also in the budget is a 5/10 step increase for categories of employees at an estimated cost of \$94,000. This would impact an estimated 74 employees who are in good standing and have had no written warning for the past 18 months. Employees who have been on grade for five years would progress one step at 2.5 percent. Those on grade for 10 years or more would see an increase of five percent. Human Resources Manager Susan Butler explained salary compression. She said there is no policy for moving employees through the range if there is no merit raise or certification process. Ms. Butler said the 5/10 step increase would help correct salary compression. The employee would move up steps but would be in the same grade. Vice Chair McCall asked for breakout information on where the 71 employees work.

(A break was called. The meeting resumed at 3:40 p.m.)

Mr. Patterson showed a breakdown of the consolidated debt schedule for school bonds. The County still owes just under \$4 million in bonds with June 1, 2020, as the payoff date. Mr. Patterson said the County currently is paying \$1.1 million a year in debt service and \$300,000 a year for the Wagram expansion.

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Mr. Patterson said capital that is budgeted includes \$300,000 for the schools, \$165,000 for an ambulance, \$161,500 for five Sheriff's vehicles, \$20,000 for a tax server and \$12,000 for a plat copier/scanner for the Register of Deeds. The County Manager said not included in capital but would come out of fund balance if approved by the Commissioners would be \$425,000 for the government complex parking lot and \$15,000 for fascia at the library. Mr. Patterson said the Fund Balance is now at 23 percent, a comfortable margin that could change quickly.

Mr. Patterson said the recent sale of foreclosed properties will generate about \$250,000. Mr. Patterson said he would ask that the proceeds from that sale be used to construct a 3,000-square-foot metal warehouse behind DSS for Health and DSS record storage.

Mr. Patterson said also not included in capital would be \$300,000 for the Morgan Center pending approval of an RCC application by Golden Leaf. Mr. Patterson said a portion of the Morgan Center would be used for County offices if RCC gets approval for its expanded nursing program at the Morgan Center.

The County Manager recommended the Commissioners put \$450,000 in capital and prioritize the projects, some others of which include HVAC systems at the Courthouse and the Health Department where controls are not working. The two projects would be \$250,000. Replacing the chiller at the Courthouse, the original unit, would cost \$150,000. Mr. Patterson said if the County budgeted \$500,000 for capital it would take fund balance from 23 percent to 20 percent. Chairman McCook suggested an alternative would be to wait until March 2016 to see where the County is on the expense side. Chairman McCook said there is a need for an updated capital plan to keep it moving forward with projects identified proactively. Chairman McCook said that way the County can plan for the future rather than having to be reactive.

Vice Chair McCall asked for all staffing requests each year in order to see trends and how the requests might change over a period of three or four years.

Mr. Patterson asked for guidance on capital items and the storage facility. Chairman McCook suggested the County wait on capital until it receives an update from Golden Leaf.

Chairman McCook asked Mr. Patterson to break down the various capital scenarios for the June 15 Public Hearing/reconvened meeting so the Commissioners can see how it affects Fund Balance. The Commissioners also asked for input from Mr. McGirt on capital priorities and for his thoughts on repaving the complex parking in two or three phases and how much it would be.

Mr. Patterson said one penny on the tax rate is \$186,000. He said reducing the tax rate would be difficult without significant cuts somewhere or significant economic growth. Mr. Patterson said the possibility is there but he didn't see that within the next five years.

Motion was made by Commissioner Gibson and duly seconded by Vice Chair McCall to adjourn.
Vote: Motion unanimously approved. Meeting adjourned at 5 p.m.

Ann W. Kurtzman
Clerk to the Board

Guy McCook
Chairman