

*Scotland County Board of Commissioners mid-year retreat  
February 17, 2016, EOC meeting room, 1403 West Boulevard, Laurinburg, NC*

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

At 1 p.m. Chair McCall reconvened the meeting.

**Health Department Medicaid funds spending request**

Mr. Patterson said the Health Department received Medicaid settlement funds. The Board of Health will look to use the funds to expand services over two years without increasing the property tax.

**Mid-year financials**

Ms. Hobbs gave an update on revenues over expenditures as of January 31. She projected \$21 million in property taxes and \$5.5 million in property taxes for 95 percent of total revenues. Fund Balance anticipated at 20 percent. Ms. Hobbs gave a report on Solid Waste funds, which has a positive cash flow and net income. Mr. Patterson said it will take about 30 months to pay the funds owed the general fund.

Engineer Peter Shiere reported on long term options for the Solid Waste program. He updated the Board on waste transfer and disposal over the past five years. Mr. Shiere also reported on disposal at the C&D landfill over the past five years, which showed a slight uptick. He said there would be 35 years of disposal without increasing the landfill footprint. Waste collected at the convenience centers is expected to increase with availability fees in place. Mr. Shiere said availability fees should allow the County to continue its present service. He said tipping fees need to be increased on a regular basis to keep up with inflation.

Mr. Shiere recommended surplus revenue be set aside for closure/post closure at an estimated \$3 million. He said the transfer station is important to the program. Mr. Shiere said there are opportunities to consolidate the convenience centers or reduce hours even though usage has increased. He said a rural residential curbside collection would eliminate need for convenience centers but it depends on the demand. Commissioner Davis said there are people who live on dirt roads where such collection would be prohibitive.

Mr. Shiere recommended the County continue what it is doing in order to build up funds. He said evaluate based on changes in tonnage. Fees also could be evaluated if things go better than planned. He recommended the Board look at where tonnage is coming in at the convenience centers to see if there is a way to combine centers or adjust hours at some time in the future.

***The Commissioners asked the County Manager to provide information on availability fees that were the same for County and municipality residents.***

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Mr. Patterson provided financials on the Water Districts, which might require another water rate increase this year. Mr. Patterson will recommend about 15 percent, which is another \$3 a month. He reported on Water Districts revenues, expenditures and depreciation.

The Commissioners in general discussed the cost of getting on the County water system and if there might be an incentive for County residents to do so either through a discount or payment plan option. Mr. Patterson said the tap fee mirrors that of the City and covers the cost to tap in.

Mr. Patterson discussed the debt position of the County excluding contracts but including general obligation bonds for the schools, the energy savings contract and the Water Districts. Mr. Patterson discussed school restricted revenues received for last eight years along with debt service and capital. He said due to lost revenue from the State in past several years the General Fund has subsidized school debt service, and there is no vehicle for the County to reimburse itself for prior expenditures on debt service.

**Capital priorities for the coming year**

Mr. Patterson said all current capital projects are on target with exception of electronic records. Mr. Patterson discussed establishing a rotation for Sheriff vehicles and a policy for taking them out of rotation. Mr. Patterson said a rotation purchase cycle and removal from rotation policy would help determine how many vehicles should be replaced every year as a standard.

The Commissioners discussed in general whether there would be an option to lease vehicles for the Sheriff.

**Motion was made by Commissioner Alford and duly seconded by Commissioner Gholston to look into the possibility of leasing Sheriff's vehicles.**

*Discussion: Commissioner Gholston said she would like to have the information available for the budget work sessions. Commissioner McCook said he still would like to review an overall plan that would include the possibility of leasing.*

**Vote: Motion unanimously approved.**

Mr. Patterson said as a result of the inspection of the antenna tower, some work will have to be done. The tower needs to be painted for \$17,500 and \$30,000 in other repairs were recommended. Mr. Patterson said he will look to put that in next year's budget as well as funds for a radio building that is a premade, hardened radio building that can be dropped on site for about \$108,000. 911 money cannot be used for these projects.

Mr. Patterson said there are dead spots for radio communications, especially on north end. Mr. Patterson suggested that a pergola be placed on the Deercroft water tower with a repeater for emergency services to improve coverage.

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The three water towers will be painted over two years. Laurel Hill (McEachin) water tower would be painted in the first year using a four-coat system at \$240,000. The increased cost comes with an increased life warranty for 18 years. Deercroft and Gum Swamp towers would be repainted in year two. Mr. Patterson recommended the pergola be placed on the Deercroft tank even though it won't be repainted until next year. The County could approach the telephone companies who might be interested in using the water tank pergola to provide enhanced services for wifi and cellular data for household hot spots.

*The Commissioners by consensus recommended that the pergola be evaluated for cost.*

Mr. Patterson said a record storage facility for DSS, which would be a building that was conditioned to maintain the paper was estimated at \$410,000. Mr. Patterson said the storage building would be metal, 12-feet high, on a concrete slab with roll up door, 100-feet by 150-feet, with HVAC for moisture control. Mr. Patterson said another option now is to look into a back scanning process.

*The Board of Commissioners by consensus agreed that staff look at electronic records as an option.*

Mr. Patterson said an RFP was put out for the Morgan Center. Three architects responded. Public Buildings and Grounds Supervisor Mike McGirt said he met with the three architects and based on a matrix to evaluate qualifications and experience, he would recommend Stogner Architects.

**Motion was made by Commissioner McCook and duly seconded by Commissioner Alford to use the services of Stogner Architects for the Morgan Center. Vote: Motion unanimously approved.**

Mr. Patterson said the DSS/Health parking lot paving will be worked in the capital plan at a little over \$500,000.

### **Fire Tax update**

Mr. Patterson explained how the fire departments went to a water haul system in order to get a new fire insurance rating in place. As a result, people should see a difference in homeowners insurance when it renews annually.

*Commissioner McCook suggested staff send the official letter to of the new rating to McCook said send the letter of new rating to local insurance agents in the County when it is received.*

Mr. Patterson discussed an expectation to construct fire substations in the north and south end of the County, two areas outside that five mile fire insurance district. The south station would be on city property across from Stewartville Baptist Church. The fire tax would be used for the substations. There is no time table for construction. Laurinburg wants assurance that the substation doesn't interfere with the water tower or the ability to maintain it. The unmanned

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buildings would have two roll up doors, heating and a bathroom with a concrete floor to support two 21-ton firetrucks.

**Policies**

Mr. Patterson said the proposed Substance Abuse Policy allow for random drug testing of employees who are in safety sensitive positions. Mr. Patterson provided a list of those positions but does not now include DSS employees who transport children and people with disabilities. In the Human Services realm, if a regular part of job duties include transportation, the positions could be included, but not if transportation is incidental to the job.

Mr. Johnston said Department Heads suggest to the Board positions they believe are safety sensitive that might pass legal scrutiny, and the Board could make the ultimate decision.

*Vice Chair Gibson suggested the Substance Abuse Policy be returned to the Policy Committee for revisions.*

**Fund Balance Policy**

Mr. Patterson said a draft Fund Balance Policy would establish an optimal, maximum and minimum percentage in unassigned general fund fund balance. Mr. Patterson said the minimum percentage would signal the County Manager and Finance Officer to present a plan to the Board to get Fund Balance back to optimal. Mr. Patterson discussed the possibility of 15 percent as a minimum and 24 percent as a maximum, which Mr. Patterson described as not excessive.

Commissioner Alford commented that an inflated fund balance can be seen as too much cash flow. Vice Chair Gibson suggested that an economic development reserve could be established in the event of a maximum percentage in the fund balance.

**Motion was made by Vice Chair Gibson and duly seconded by Commissioner Alford to approve the Fund Balance Policy with 15 percent as the minimum, 18 to 24 percent as optimal and 24 percent as maximum. Vote: Motion unanimously approved.**

**Proposed community input session**

The Commissioners discussed hosting a public input session similar to the one hosted by the City of Laurinburg where officials listen and where questions are not specifically answered. Results of the input session are forwarded to staff and elected officials to evaluate. Mr. Patterson suggested an input session might precede a strategic planning session so it might guide Commissioners in visioning going forward.

**Discussion: Schools consolidation/expansion plan**

The Commissioners discussed the proposal by Scotland County Schools to expand two schools and build one new one by 2020. The Commissioners discussed what the ultimate benefit would be to the school system, the County and the taxpayers. The Commissioners expressed concern as

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to how the County would fund the expansions and construction. Vice Chair Gibson said he would like to understand better how the projects would be accomplished that would be most advantageous to schools and with the possibility of reducing the County's current expenditure to the schools. Commissioner Alford asked what the County is prepared to do if the projected funding falls short. The Commissioners discussed reducing the overall allocation to the school system in some fashion if the projects move forward since the schools indicated there would be savings from not having to put funds in older schools.

The Commissioners agreed they need an action plan and a five to seven-year financial plan from the schools and whether the plan would use General Obligation Bonds, a COPs or a private-public partnership.

*The Commissioners instructed the County Manager to review the school plan to determine what the County estimate is to implement the plan over the next 10 years and where the money will come from to do that.*

The Commissioners suggested the County Manager talk with Hoke County officials to find out if their experience and projections working out as anticipated. The Commissioners agreed in general that the proposed projects come down to what the County can afford to do.

Mr. Patterson said the County could expect \$601,000 in revenue from the expanded sales tax but he is hesitant to put it in the initial budget. Mr. Patterson said he would like to wait for some conversation in Raleigh before making a recommendation on how to budget the 601,000.

*The Commissioners by consensus directed the County Manager to develop a budget with a one cent and two cent decrease in the tax rate as well as do something for employees.*

**Motion was made by Vice Chair Gibson and duly seconded by Commissioner McCook to adjourn. Vote: Motion unanimously approved. Meeting adjourned at 5:05 p.m.**

Ann W. Kurtzman  
Clerk to the Board

Carol McCall  
Chair