

*Scotland County Board of Commissioners reconvened meeting
June 22, 2015, Emergency Operations Center, 1403 West Boulevard, Laurinburg, NC*

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

At 7 p.m. Chairman McCook reconvened the meeting and offered an invocation.

Public Forum

No one came forward to speak.

Review: FY 2015-2016 Budget Plan

County Manager Patterson recommended a 2015-2016 budget at \$40,421,097 with a tax rate of \$1.03 per 100 valuation. Mr. Patterson said the figure does not include major capital items previously discussed. It includes a one percent COLA for County employees. The budget also includes a step plan for employees on or below a step 9 who have no disciplinary action or no open corrective action plan. Mr. Patterson said the step plan impacts 96 employees, which is more who qualify than originally stated. Mr. Patterson said people on grade for five years or more would receive a one step increase at 2.5 percent. Those on grade for 10 years or more would receive a two-step increase at five percent. Both plans would not exceed step 9. Mr. Patterson said the step plan addresses salary compression.

Mr. Patterson said the 2016 budget includes availability fees, which are \$55 inside a municipality and \$85 outside municipal boundaries. Mr. Patterson addressed questions about another option, which would be to close the landfill. The County Manager gave a summary of solid waste operations and cash flow. The transfer station has a positive cash flow. The C&D landfill, leaf and limb and convenience sites have a negative cash flow. Scrap tire shows a small gain. Mr. Patterson said capital and debt service are projected to have a cash loss. In all, there would be a \$148,436 negative cash loss in 2015 from solid waste operations.

Mr. Patterson then discussed whether closing the landfill now would save money. Mr. Patterson calculated it would cost 50 percent more to close the landfill now than to close it at capacity because there would be a greater area to close. Closing the landfill now would eliminate one position, the need the compactor and \$50,000 a year for testing at the landfill. It would save \$106,000 a year. Mr. Patterson said taking all material to the transfer station would generate \$65,000 a year, but taking it to Uhwarrie for disposal, post closure testing and monitoring would cost an additional \$254,000. Mr. Patterson estimated the loss would increase by \$80,000 a year. Mr. Patterson said the current rate with Uhwarrie might not be as favorable when the contract expires.

The County Manager recommended approval of availability fees as discussed to dispose of trash that is generated in the County. Mr. Patterson also recommended engineers G.N. Richardson

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review the entire solid waste plan to develop long term options that could be discussed at the mid-year retreat.

Commissioner Gibson asked if at some point there would be an offsetting reduction in the tax rate. Mr. Patterson said losses in the solid waste program have been eating away at fund balance. It's never been in the current tax levy. Mr. Patterson said availability fees would help put the general fund in positive position, but there will be no immediate direct correlation in the tax rate. Commissioner Gibson suggested the governing board ought to work toward a reduction in the tax rate.

Capital Plan discussion

Mr. Patterson said large capital items that are in the budget include an ambulance, tax server, five Sheriff vehicles and a plat copier. Major capital not in the budget for an additional \$450,000 include the Morgan Center project, courthouse chiller, library fascia and Laurel Hill Community Center roof. Mr. Patterson recommended that \$450,000 be added as an appropriation of fund balance in a contingency line item, which cannot be spent unless the board specifically releases the funds. Mr. Patterson said he would not have a specific number on the Morgan Center project until the end of the month.

Long term options for Water Districts fee plan

Mr. Patterson recommended a 15 percent increase in current water rates through the entire rate structure, which would increase the average bill from \$28 a month to \$33 a month. Mr. Patterson said the increase would put the Water Districts in a neutral cash position. He said there still would be a loss in the Water Districts on full accrual, which needs to be corrected.

Mr. Patterson said a targeted increase in water rates at 35 percent would put the County in a positive cash position and a very slight increase in accrual basis with a three to five year plan.

Mr. Patterson recommended the Commissioners approve a 2015-2016 budget ordinance with \$450,000 of additional capital from fund balance. The \$40,871,097 budget ordinance would include availability fees in the amount of \$55 in municipalities and \$85 outside municipalities and an increase in water rates of 15 percent across the board. Availability fees would include a reduction for those with Homestead Exemption and elimination of fees at the convenience sites and a comparable at the landfill itself.

Motion was made by Commissioner Alford and duly seconded by Commissioner Gibson to approve the FY 2015-2016 Budget Ordinance at \$40,871,097 and \$1.03 on the tax rate, which includes availability fees and increased water rate fees as outlined. Vote: Motion unanimously approved.

Chairman McCook said the Commissioners take this part of their job very seriously. He said while the cost of living might be cheaper in Scotland County than elsewhere, the Commissioners still understand it is difficult for everyone. Chairman McCook said although the decision is difficult the County must pay the cost of these services now and not pass the cost to future residents down the road.

Consent Agenda:

- 1) Decline request by Richmond Community College to assume ownership of the Purcell Building.
- 2) Approve construction of laundry facility at Scotland High School.

Budget Amendments:

a) **Sheriff:** Approve receipt of additional funding for FY 2015 in the amount of \$36,000 for a School Resource Officer (SRO), and authorize the Finance Officer to make the necessary arrangements to receive and expend the monies. No County dollars.

b) **Transportation:** Approve 90 percent reimbursement in the amount of \$137,781 from the State for FY 13/14 for the purchase of a van, and authorize the Finance Officer to make the necessary arrangements to receive the monies.

c) **Transportation:** Approve increase in funds and anticipated funds in the amount of \$47,000 for FY 2015, and authorize the Finance Officer to make the necessary arrangements to receive the monies and expend as necessary.

d) **Inspections:** Approve increase in funds and anticipated funds in the amount of \$33,300, and authorize the Finance Officer to make the necessary arrangements to receive the monies and expend as necessary.

e) **Planning and Zoning:** Approve increase in revenues in the amount of \$1,500, and authorize the Finance Officer to make the necessary arrangements to receive the monies and expend as necessary.

f) **Scotland County Schools:** Approve reallocated capital dollars for the following projects: Central Office Roof, \$150,000; South Scotland Roof, \$57,000; SHS HVA Controls, \$250,000. *(The other attached local capital outlay documents are for information).*

g) **Parks and Recreation:** Approve increase in revenues and anticipated funding in the amount of \$31,946, and authorize the Finance Officer to make the necessary arrangements to receive the monies and expend as necessary.

h) **Library:** Approve increase in revenues in the amount of \$8,236, and authorize the Finance Officer to make the necessary arrangements to receive the monies and expend as necessary.

i) **Humane Society:** Approve increase in revenues in the amount of \$2,620, and authorize the Finance Officer to make the necessary arrangements to receive the monies and expend as necessary.

j) **JCPC Program:** Approve decrease in budgeted revenues in the amount of \$47,672, and authorize the Finance Officer to make the necessary adjustment.

k) **Health:** Approve increase in revenues in the amount of \$17,000, and authorize the Finance Officer to make the necessary arrangements to receive the monies and expend as necessary.

l) **Fire Districts:** Approve increase in revenues and anticipated funding in the amount of \$215,000, and authorize the Finance Officer to make the necessary arrangements to receive the monies and expend as necessary.

m) **FCC Project:** Approve grant funding in the amount of \$2,500,000, and authorize the Finance Officer to make the necessary arrangements to receive the monies and expend as necessary.

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n) **Water Districts:** Approve increase in revenues in the amount of \$15,900, and authorize the Finance Officer to make the necessary arrangements to receive the monies and expend as necessary.

Motion was made by Commissioner Alford and **duly seconded** by Vice Chair McCall to approve the Consent Agenda. **Vote:** Motion unanimously approved.

Motion was made by Commissioner Gibson and **duly seconded** by Commissioner Alford to adjourn. **Vote:** Motion unanimously approved. Meeting adjourned at 7:55 p.m.

Ann W. Kurtzman
Clerk to the Board

Guy McCook
Chairman

**SCOTLAND COUNTY, NC, BUDGET ORDINANCE
JULY 1, 2015 – JUNE 30, 2016
BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF SCOTLAND COUNTY,
NORTH CAROLINA**

<u>SECTION 1. GENERAL EXPENDITURES</u>	Amount	Subtotals
<u>General Government</u>		
Governing Body	69,263	
Administration	690,010	
Board of Elections	243,403	
Tax Department	883,968	
Legal	39,125	
Register of Deeds	268,537	
Court Facilities	-	
Inspections	314,083	
Planning and Zoning	4,661	
General Services	465,065	
Information Technology	305,444	
Public Buildings	1,395,627	
<i>Subtotal</i>		4,679,186
<u>Law Enforcement</u>		
Sheriff's Department	2,935,088	
Jail	1,794,127	
Drug Fund	10,000	
<i>Subtotal</i>		4,739,215
<u>Emergency Services</u>		
Emergency Medical Services	2,012,158	
911 Center	962,234	
<i>Subtotal</i>		2,974,392
<u>Health and Human Services</u>		

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Health Department	2,566,278	
Department of Social Services	8,464,138	
Veteran Service Office	53,595	
Transportation	522,458	
<i>Subtotal</i>		11,606,469
<u>Cultural & Recreational Activities</u>		
Parks and Recreation	457,171	
Laurel Hill Community Center	36,969	
Splash Pad	24,345	
Recreation Complex	64,695	
Wagram Rec Complex	122,812	
Adult Athletics and Senior Events	22,320	
Scotland Memorial Library -- Local	447,650	
Historic Properties	18,000	
<i>Subtotal</i>		1,193,962
<u>Contributory Allocations</u>		
<u>Economic Development:</u>		
Incentive Grants	874,099	
Southeastern Economic Development Corporation	3,254	
<i>Subtotal</i>		877,353
<u>Government Related:</u>		
Criminal Justice Grant	-	
Rescue Squad	31,275	
Medical Examiner	30,000	
Forestry Service	99,896	
Cooperative Extension	157,808	
Soil Conservation	72,615	
Richmond Community College	281,407	
Lumber River Council of Governments	26,293	
JCPC Pass Through Funding	152,332	
Mental Health – Local Funds	72,920	
ABC Bottle Tax	6,500	
Home Community Care Block Grant -- LRCOG	-	
<i>Subtotal</i>		931,046
<u>Non-Government Related:</u>		
Humane Society	120,000	
<i>Subtotal</i>		120,000

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<u>Reserves:</u>		
Revaluation Reserve	75,000	
<i>Subtotal</i>		75,000
<u>Debt Service:</u>		
Debt Service	79,473	
<i>Subtotal</i>		79,473
TOTAL GENERAL EXPENDITURES:		27,276,096

SECTION 2. SCHOOL FUNDING

Expenditures

The following amounts are hereby appropriated in the School Fund for the Fiscal Year Beginning July 1, 2015, and ending June 30, 2016

School Funding Formula	10,826,612	
Capital Expenditures	300,000	
Lottery Funded Capital Expenditures	124,000	
Debt Service	1,529,156	
Fines & Forfeitures Pass Through	275,000	
Early College Program	75,000	
TOTAL SCHOOL EXPENDITURES:		13,129,768
TOTAL GENERAL FUND EXPENDITURES (GENERAL AND SCHOOL EXPENDITURES):		40,405,864

SECTION 3. GENERAL FUND REVENUES

It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

Property Taxes - Undesignated	22,064,245	
Property Taxes - Designated	803,418	
Local Option Sales Tax – Unrestricted	4,461,366	
Local Option Sales Tax – Restricted	1,165,990	
User Fees and Unrestricted Intergovernmental Revenues	4,032,928	
Restricted Intergovernmental Revenues	7,877,917	
TOTAL GENERAL FUND REVENUES:		40,405,864

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SECTION 4. SOLID WASTE FUND

Expenditures

The following amounts are hereby appropriated in the Solid Waste Enterprise Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

	Personnel	487,737	
	Operating Expense	1,047,939	
	Capital Outlay	105,000	
	Debt Service	69,324	
TOTAL SOLID WASTE FUND EXPENDITURES:			1,710,000

Revenue

It is estimated that the following revenues will be available in the Solid Waste Enterprise Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

	Sale of Recyclables and Tipping Fees	1,616,000	
	State White Goods/Tire Fees	80,000	
	Interfund Transfer	14,000	
TOTAL SOLID WASTE FUND REVENUES:			1,710,000

SECTION 5. WATER DISTRICT I

Expenditures

The following amounts are hereby appropriated in the Water District I Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

	Personnel	45,011	
	Operating Expense	529,075	
	Capital Outlay	-	
	Debt Service	125,695	
TOTAL WATER DISTRICT I FUND EXPENDITURES:			699,781

Revenue

It is estimated that the following revenues will be available in the Water District I Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

	Water Sales and Tap Fees	685,000	
	Appropriated Fund Balance	14,781	
TOTAL WATER DISTRICT I FUND REVENUE:			699,781

SECTION 6. WATER DISTRICT II

Expenditures

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The following amounts are hereby appropriated in the Water District II Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

	Operating Expense	334,373	
	Capital Outlay	-	
	Debt Service	278,762	
TOTAL WATER DISTRICT II FUND EXPENDITURES:			613,135

Revenue

It is estimated that the following revenues will be available in the Water District II Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

	Water Sales and Tap Fees	586,316	
	Appropriated Fund Balance	26,819	
TOTAL WATER DISTRICT II FUND REVENUE:			613,135

SECTION 7. FIRE SERVICE DISTRICT

Expenditures

The following amounts are hereby appropriated in the Fire Service District Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

	Operating Expense	350,000	
	Capital Outlay	600,000	
TOTAL FIRE SERVICE DISTRICT TAX FUND EXPENDITURES:			950,000

Revenue

It is estimated that the following revenues will be available in the Fire Service District Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

	Tax Levy	625,609	
	Sales Tax	268,000	
	Other Revenue	6,411	
	Fund Balance Appropriated	49,980	
TOTAL FIRE SERVICE DISTRICT TAX FUND REVENUES:			950,000

SECTION 8. 911 EMERGENCY COMMUNICATIONS

Expenditures

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The following amounts are hereby appropriated in the Scotland County 911 Emergency Communications Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

	Personnel	-	
	Operating Expense	229,929	
	Capital	-	
	Reserve	-	
TOTAL 911 EMERGENCY COMMUNICATIONS FUND EXPENDITURES:			229,929

Revenue

It is estimated that the following revenues will be available in the Scotland County 911 Communications Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

	Fees	229,929	
	Grant	-	
	Appropriated Fund Balance		
TOTAL 911 EMERGENCY COMMUNICATIONS FUND REVENUES:			229,929

SECTION 9. REVAULTION FUND

Expenditures

The following amounts are hereby appropriated in the Revaluation Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

	Personnel	-	
	Operating Expense	75,000	
	Capital	-	
TOTAL REVALUATION FUND EXPENDITURES:			75,000

Revenue

It is estimated that the following revenues will be available in the Revaluation Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

	Interfund Transfer	75,000	
	Appropriated Fund Balance	-	
TOTAL REVALUATION FUND REVENUES:			75,000

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SECTION 10. SPECIAL REVENUE FUND

Expenditures

The following amounts are hereby appropriated in the Special Revenue Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

Expenditures	1,201	
TOTAL SPECIAL REVENUE FUND		1,201

Revenue

It is estimated that the following revenues will be available in the Special Revenue Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

Revenue	1,201	
TOTAL SPECIAL REVENUE FUND REVENUES:		1,201

SECTION 11. CANTEEN FUND

Expenditures

The following amounts are hereby appropriated in the Canteen Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

Expenditures	28,000	
TOTAL CANTEEN FUND		28,000

Revenue

It is estimated that the following revenues will be available in the Canteen Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

Revenue	28,000	
TOTAL CANTEEN FUND REVENUES:		28,000

SECTION 12. TOURISM DEVELOPMENT AUTHORITY

Expenditures

The following amounts are hereby appropriated in the Scotland County Tourism Development Authority for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

Expenditures	336,000	
TOTAL TOURISM DEVELOPMENT AUTHORITY EXPENDITURES:		336,000

Revenue

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It is estimated that the following revenues will be available in the Scotland County Tourism Development Authority for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016 based on a 6% motel/hotel Occupancy Tax:

	Revenue	336,000	
TOTAL TOURISM DEVELOPMENT AUTHORITY REVENUES:			336,000

SECTION 13. PROPERTY TAX LEVY:

There is hereby levied an ad valorem property tax at the rate of \$ 1.03 per \$100 valuation of properties listed for taxes as of January 1, 2015. The levy and corresponding estimate for current year property tax collection is based on a projected 2,082,000,000 tax base and a prior year collection rate of 94.41 percent on real property.

There is hereby levied an additional \$.05 cent Fire Service Tax on all property outside the corporate limits of Wagram, Gibson, and Laurinburg, including property within the corporate limits of East Laurinburg, to fund volunteer fire departments. This change in the Fire Service Tax shall be used to fund the replacement of County Fire Equipment over the next eleven years. It is also the goal that this funding will aid all fire departments to receive an rating of 6 and extend the five mile fire service area to as much of Scotland County as reasonable.

SECTION 14. PERSONNEL & COMPENSATION

FY 2015-2016 - All county employee salaries will be increased by a 1.0 percent COLA.

In addition, employees that have been on their current grade for five years or more and are on less than a step nine, which is market rate, will receive a one step increase. Employees that have been on their current grade for ten years or more and are on less than a step nine, which is market rate, will receive a two step increase. Step nine will be the maximum step increase issued under this plan. The qualifying date for the step increases will be as of June 30, 2015.

To qualify, the employee must be in good standing with no active correction action plan or disciplinary action pending according to the Scotland County Personnel Policy, Article VIII, Section 11. Inactivating Disciplinary Action which states "Any disciplinary action issued after the effective date of this section is deemed inactive in the event that, (A) The department head or supervisor notes in the employee's personnel file that the reason for the disciplinary action has been resolved or corrected; or (B) eighteen (18) months have passed since the first warning or disciplinary action during which the employee does not have another active warning or disciplinary action and the department head had not issued to the employee written notice of an extension to the disciplinary period."

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Regarding Part (A) as previously described, for the purpose of administering these step increases, any such note from the department head or supervisor indicating that the reason for disciplinary action has been resolved or corrected must be written, dated, and given to the employee and placed in the employee's personnel file prior to the date that the FY 2015-16 budget is approved by the Board of Commissioners.

SECTION 15. FEE SCHEDULES

Water Districts I and II

Fee schedules attached.

Solid Waste

Fee schedules attached

Parks & Recreation

Fee schedules attached.

Library

Fee schedules attached

Inspections

Fee schedules attached

Health Department

Fee schedules attached.

Emergency Medical Services

Fee schedules attached.

Board of Elections

Fee schedule attached.

General & Administrative Fees

Fee schedule attached.

SECTION 16. BUDGET OFFICER

The Budget Officer is hereby authorized to review and process transfers of appropriations as stipulated below:

- a) He may transfer amounts between objects of expenditure within departments, without limitations and without a separate report.
- b) He may transfer amounts up to \$1,000 between departments lying within the same fund. In such cases, a separate report of such transfer shall be submitted to the County Commissioners at its next regular meeting.

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- c) He may *not* transfer any amount between funds and may transfer no more than \$1,000 from the General Fund Contingencies Account.
- d) He shall provide the governing body with a Mid-Year Financial Review.
- e) He may, during the month of June, make any necessary interdepartmental budget transfers and amendments in order to close out the fiscal year. All such adjustments shall be reported to the governing body in a separate report.
- f) He may, with approval of the Finance Officer, transfer amounts between agency accounts supervised by a single department without limitation and without a separate report. These agency accounts include, for example, law enforcement, public health and public assistance.

SECTION 17. BUDGET ORDINANCE

This Budget Ordinance has been prepared in compliance with the Local Government Budget and Fiscal Control Act. Copies of the Budget Ordinance shall be furnished to the Budget Officer, Clerk to the Board, Finance Officer, and Tax Collector.

Adopted this the 26th day of June 2015

Guy McCook
Chairman

Ann W. Kurtzman
Clerk to the Board

Attachments