

**MINUTES**

**Scotland County Board of Commissioners  
May 17, 2013 Budget Work Session/Reconvened Meeting  
Small Business Innovation Center, US 401 North**

At 8 a.m. Chairman Guy McCook reconvened the meeting for a budget work session. Commissioners in attendance: Chairman McCook, Vice Chair Carol McCall and Commissioners John Alford, John Cooley (*arrived at 8:20 a.m.*), Bob Davis and Whit Gibson. Commissioners not in attendance: Commissioner Clarence McPhatter. Staff in attendance: County Manager Kevin Patterson, Finance Officer Charles Nichols, County Attorney Ed Johnston and Clerk to the Board Ann W. Kurtzman. Chairman McCook opened the meeting with a prayer.

**Scotland County Schools: Presentation of FY 2013-2014**

Schools Finance Officer Jay Toland said the student projection for 2013-2014 is flat. All fines and forfeitures were allocated to capital outlay. Fines and forfeiture collections are down, and the School System is expecting a \$1.5 million fund reduction from the State, with total projected reductions of \$2.4 million. Total local current expense will be \$12.3 million. The capital outlay budget is \$1.2 million with \$515,000 for capital requested from the County.

School Facilities Manager Roger Ammons said capital priorities are replacing aging roofs and constructing security connectors at schools. Major priority would be given to a roof at Pate Gardner for \$284,000 and a partial roof for \$43,000 at Washington Park.

Mr. Toland and Mr. Ammons said the connectors would serve to secure the schools, help prevent custodial issues and enclose open campuses. Mr. Ammons indicated that although nothing is fail safe, the security connectors would serve as deterrents. The Commissioners discussed whether six-foot perimeter fences would be more practical than four-foot fences.

Vice Chair McCall asked if there was a plan to close under-capacity schools as a way to make school use more efficient. Superintendent Rick Stout said school use is always being reviewed but growth in the future would create a need for school capacity and the School System also must be sensitive to community needs with redistricting and increased bussing time and fuel costs.

**Budget amendment: Pass-through funds in the amount of \$264,000 for Rural Center**

County Manager Patterson said Nature's Earth is returning a \$264,000 grant to the Rural Center because it never achieved full employment. Mr. Patterson said the funds must pass through the County to the Rural Center and the funds have been received from nature's Earth.

**Motion was made by Commissioner Cooley and duly seconded by Vice Chair McCall to approve receipt of \$264,000 in pass through funds from Nature's Earth for repayment to the Rural Center. Vote: Motion unanimously approved.**

**Current FY 13 revenues and expenditures**

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Finance Officer Charles Nichols said net projected revenue over expenditures at fiscal year-end is \$436,478.

Public Buildings Supervisor Mike McGirt reviewed capital projects completed, in the works and ones that will be completed by June 30. Mr. McGirt said window replacements are required at the Jail because they were vandalized by inmates. He said vandalism occurred at Market Park, particularly in restrooms.

**Projected expenditures and revenues for FY 2013-2014**

Mr. Patterson said the working budget for 2013-2014 will include a \$37.3 million request and working revenues at \$36.8. Sales and property taxes have been rolled forward to the working budget. Revenue projections are low and conservative. Mr. Patterson said he would have better budget figures calculated for sales and property tax at the next budget work session.

Mr. Patterson said in planning the budget Commissioners might wish to consider eliminating the employee furlough at a cost of \$167,459. Health insurance will see a six percent increase at \$142,111. A one percent COLA would be \$125,000. Restoring longevity would be \$73,218. An increase in 401K would be \$95,000. Mr. Patterson listed capital items the Commissioners might consider for the 2013-2014 fiscal year.

Commissioner Alford suggested in the new fiscal year that staff investigate the possibility of transferring ownership of the Speller Building to another entity.

***The Board of Commissioners by consensus agreed not to put any capital dollars into the Speller Building and to discuss the future of the structure in the new fiscal year.***

Mr. Patterson said he is in contact with Scotland Enterprise regarding the Biggs Street building. Scotland Enterprise, a non-profit, does not wish to buy the building but would consider rent. The possibility of donating the building to Scotland Enterprise was discussed. The Commissioners agreed that there should be some return for any work done on the building.

Mr. Patterson then discussed a request for three new positions:

1. A skilled carpenter plus additional maintenance funds.
2. Permitting technician/office assistant
3. Wagram Recreation Center attendant

Commissioner Cooley suggested that since grounds maintenance and landscaping is seasonal, perhaps it could be contracted out.

Mr. Patterson discussed the permitting position, explaining that the aim would be to consolidate Environmental Health at 507 West Covington Street with Inspections and Zoning and to provide administrative support for the consolidation.

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Commissioner Cooley questioned the need for an additional position since the workload would be the same.

Mr. Patterson said the consolidation would be modeled after one in Harnett County, which resulted in reductions in the permitting processing time.

Mr. Patterson said there currently is one full-time position at the Wagram Recreation Center. Due to the number of people, particularly children that use the center, another full-time position is needed. Mr. Patterson said liability and safety issues also are a concern.

The Commissioners discussed the contribution by the Town of Wagram to the Center. Mr. Patterson said it had been agreed that the Town of Wagram would provide custodial service and standard maintenance but the Town has since said it could not afford to perform the services. The Town does mow the grass.

Commissioner Cooley asked if the County has any leverage in which to compel the Town of Wagram to hold up to its end of the agreement.

*Chairman McCook directed the County Manager and Parks and Recreation Director Shannon Newton to contact the Town of Wagram to discuss the agreement and partner with them in the maintenance of the facility and to report back at the next budget work session.*

**(A break was called. The meeting resumed at 11 a.m.)**

Mr. Patterson reviewed the proposed budget by department and, if there was an increase, explained why the increase was requested.

Commissioner Davis said the plan to resurface the tennis courts is a short-term fix. He suggested the County sit down with Scotland County Schools and other interested entities to draft a long-term funding plan.

Mr. Patterson said Richmond Community College requested a funding increase so it could hire two full-time security positions and purchase two vehicles.

*Chairman McCook asked Mr. Patterson to contact RCC to receive more information about the need for vehicles.*

Commissioner Davis asked about the cost of digitizing paper documents at Health, DSS and Register of Deeds. Mr. Patterson said he initiated talks with Scotland Health Care System to see if there is a way to expand its digital record system to the Department of Public Health because the licensing fees might be less expensive. He said he intends to plan this year for the project to begin in 2015.

Register of Deeds Debra Holcomb said the digital project for her department at a price of \$120,000 could be conducted in increments at \$18,000 over a six-year period.

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*The Board of Commissioners by consensus agreed to budget \$18,000 a year for six years for the Register of Deeds for back scanning documents.*

**(A break was called for lunch. The meeting resumed at 1 p.m.)**

**Commissioners present at 1 p.m.: Chairman McCook, Vice Chair McCall and Commissioners Cooley, Davis and Gibson. Commissioners not present: Commissioners Alford and McPhatter.**

County Manager Patterson noted that a fourth proposed position not yet discussed would be for a second fraud investigator at DSS. The fraud investigator would be focused on Food Stamps. Mr. Patterson said the State might require more aggressive fraud examination going forward.

**Discussion: Proposed legislation on drug testing for public assistance clients**

DSS Director Robby Hall said drug testing clients for public assistance could cost the County \$60,000 to \$80,000. Mr. Hall said the legislation is based on similar laws in Michigan and Florida, both of which were overturned within a year because there was a wide net process not based on suspicion. Mr. Hall said Florida spent \$2 million and saved \$45,000. Mr. Hall said Social Services directors in the State recommend random screening based on suspicion. He said as the proposed legislation now stands, it would cost the State \$2.4 million to implement. Mr. Hall said other issues how to establish another payer on behalf of children in a family if a client tests positive for drug use.

Commissioner Cooley said he still believes there is a major problem with the current system where clients expect a check regardless of behavior. He questioned where and how the money is spent while children in a family still might go hungry.

**Discussion: Anticipated tax rate for FY 2014**

Mr. Patterson suggested keeping the FY 2014 tax rate at the current level of \$1.03. Mr. Patterson said that getting the tax rate at or below a dollar would require significant cutting.

Commissioner Davis said lowering the tax rate would give the County few options in addressing capital needs over a four to five-year period.

Chairman McCook said it is important to take care of employees and restore them from furlough.

Commissioner McCall took issue with school capital being in the proposed budget when there is no capital budgeted for County needs.

Commissioner Cooley suggested if the schools put up perimeter fences the need for security connectors might not be necessary. Chairman McCook said security connectors could be done over time.

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County Manager Patterson said he would bring a balanced budget to the Commissioners with a \$1.03 tax rate and a list of items the Commissioners might want to consider for elimination in order to lower the tax rate.

**Consideration of property at 109 East Vance Street**

County Manager Patterson discussed how the County went through the upset bid process for a foreclosed property at 109 East Vance Street. He said the high bid was for \$4,500. Mr. Patterson said while the upset bid process was going on, he was informed by Laurinburg City Planning officials of intent to condemn the property. Mr. Patterson said Habitat for Humanity also indicated an interest in the property for rehabilitation.

Mr. Patterson said the Commissioners would have three options:

1. Award the property to the high bidder in the upset bid process
2. Take no action
3. Donate the property to Habitat for Humanity

Commissioner Cooley said the County began a process and should stay with the process instead of going in another direction. Commissioner McCall said she feels duty-bound to continue with the initial process of the upset bid. Commissioner Cooley said it would the City should have alerted the County of its intent before the County initiated the upset bid process.

Mr. Patterson said he received a proposal from Iron Horse Auctions regarding sale of County-owned properties. He said Iron Horse charges a five percent fee plus \$3,500 for all advertising.

*Commissioner McCook directed the County Manager to check with the City to see if it has properties to sell so it might share in the cost of the auction process.*

**Motion was made by Commissioner Gibson and duly seconded by Commissioner Davis to follow through with the upset bid process and sell 109 East Vance Street for the upset bid of \$4,500. Vote: Motion unanimously approved.**

Mr. Patterson said he would inform the bidder, the City of Laurinburg and Habitat for Humanity of the Board's vote.

The Commissioners agreed to meet for a second budget work session 3 p.m. Thursday, June 6, at 507 West Covington Street. Chairman McCook asked staff to invite the Board of Education to join the Commissioners for dinner at 5 p.m. just before the joint meeting.

The Commissioner agreed to hold a Public Hearing on the FY 2014 budget 5 p.m. Thursday, June 13, at the A.B. Gibson Board of Education room.

Chairman McCook discussed the meetings he, the County Manager and Finance Officer had with school officials. Chairman McCook said the involved strengthening communication between the

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Schools and the County and opening dialogue between the two entities on how to fund the Schools.

Commissioner McCall said the Board asks the same questions of the Schools that it asks its own departments when reviewing budget options. Commissioner McCall said the Commissioners are held accountable by 37,000 people who live in the County, and she hopes the Schools understand that.

Commissioner McCall said in her discussions and meetings with County citizens, they want to discuss three issues — food stamps, housing and the school floor. Commissioner McCall said she realizes the Commissioners have little control over the three issues.

**Motion was made by Commissioner Gibson and duly seconded by Commissioner Cooley to adjourn. Vote: Motion unanimously approved. Meeting adjourned at 2:35 p.m.**

Ann W. Kurtzman  
Clerk to the Board

Guy McCook  
Chairman