

*Scotland County Board of Commissioners regular meeting
February 6, 2012, A.B. Gibson Center, 322 South Main Street, Laurinburg, NC*

**MINUTES
Scotland County Board of Commissioners
February 6, 2012 Regular Meeting
A.B. Gibson Education Center, 322 South Main Street, Laurinburg NC**

At 7 p.m. Chairman Bob Davis called the meeting to order. Commissioners in attendance: Chairman Davis, Vice Chair Joyce McDow and Commissioners John Alford, John Cooley, Carol McCall, Guy McCook and Clarence McPhatter. Staff in attendance: County Manager Kevin Patterson, County Attorney Ed Johnston and Clerk to the Board Ann W. Kurtzman. Chairman Davis delivered the invocation. The Pledge of Allegiance was recited.

Motion was made by Vice Chair McDow and duly seconded by Commissioner Alford to approve the February 6, 2012 agenda with two additional budget DSS amendments for the Consent Agenda. Vote: Motion unanimously approved.

Chairman Davis asked if anyone wished to speak at Public Forum.

Mr. Ken Haney, Gibson, distributed an Open Letter to Taxpayers of Scotland County. The letter addressed Mr. Haney's concerns regarding a recent letter from the Local Government Commission on the subject of the County's financial situation. Mr. Haney said he read the LGC letter, and he is concerned about the County's poor financial performance. He said there are no facts on what happened and how the money was mismanaged. Mr. Haney listed questions he would like answered regarding accountability and responsibility on the part of the County.

No one else spoke, and Public Forum concluded.

Item 1. Public Hearing: 2011 Community Development Block Grant Scattered-Site Housing Program application

LRCOG Housing Administrator Adrian Lowery said as part of the 2011 Community Development Block Grant (CDBG) application process two public hearings must be held, and this is the second required public hearing.

Mr. Lowery distributed to the Commissioners a list of 182 individuals who applied for CDBG assistance. Mr. Lowery said a point system based on need is accumulated and the Commissioners will receive those results for further action.

Chairman Davis opened the Public Hearing and asked if anyone wished to comment on the program or application process.

Mr. Walter Rogers said in the past as he recalled there was talk about providing refurbishment and repair to homes and not just replacing homes. He asked the Commissioners to consider that aspect of the program.

No one else spoke, and the Public Hearing was closed.

Motion was made by Commissioner Alford and duly seconded by Commissioner McCall to approve the 2011 CDBG application process.

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There was discussion about why names on the list might be duplicated and how the point system works. Mr. Lowery said the Commissioners would decide whether to rehabilitate or replace. Mr. Lowery said there are several programs that respond to rehabilitation and repair but fewer programs that address total replacement.

Vote: Motion unanimously approved.

Item 2. Information on Help America Vote Act

Ms. Nancy Shakir, Democracy North Carolina, said her organization works to ensure all citizens have a right to vote. Ms. Shakir said \$4 million in frozen federal funds would become available to the State if the State legislature agrees to the \$660,000 match. Ms. Shakir said Help America Vote Act (HAVA) funds provide financial assistance to counties for training poll workers, machine maintenance and opening of additional early vote sites. Ms. Shakir urged the Commissioners to contact State legislators to encourage them to release the \$660,000 match.

Item 3. Historic Properties Commission 2011 report

Historic Properties Commission Chairman Philip McRae provided a brief history of the Commission and identified properties under its care at the John Blue House grounds. Mr. McRae said maintenance and remodeling are ongoing projects. He said the Commission will soon take possession of a donated log tobacco barn, one of four known in the State, and will move it to the John Blue site. Mr. McRae said the property is frequently rented for annual and special events. Mr. McRae said he and the Commission are grateful for the funds provided by the County, for they keep the doors open. He said grants, donations and the dedicated and hard work of volunteers are essential to the continued operation of Historic Properties.

Item 4. Tax Liens and Order to Advertise

Tax Administrator Mary Helen Norton reported the total amount of unpaid taxes for the current fiscal year that are liens on real property as of January 30 was \$2,524,353. The figure includes County, Fire, School, Town of Wagram, Town of East Laurinburg and Town of Gibson taxes. Ms. Norton asked for an order to advertise the week of March 19, 2012.

Commissioner Cooley commented that someone could pay every bill and their name could still be in the newspaper. Commissioner Cooley said he knows from personal experience. Commissioner Cooley said whatever is done to cause that to happen needs to be corrected.

Motion was made by Commissioner Alford and duly seconded by Commissioner McCook to approve the order to advertise tax liens the week of March 19, 2012. Vote: Motion unanimously approved.

Item 5. Award Energy Savings Contract (ESCO)

Finance Officer Charles Nichols said two proposals were received for the Energy Savings Contract (ESCO). Mr. Nichols said the selection committee reviewed the proposals and unanimously selected Johnson Controls.

Motion was made by Vice Chair McDow and duly seconded by Commissioner Cooley for the County to move forward with talks with Johnson Controls. Vote: Motion unanimously approved.

Item 6. Consent Agenda:

- a) Approve minutes of the Board of Commissioners January 4, 2012 Water Board meeting, January 4, 2012 regular meeting and January 12, 2012 joint meeting.
- b) Budget Amendments:
 - 1) **DSS:** Approve receipt of \$50,000 for medical transportation gas vouchers, and authorize the Finance Officer to make the necessary arrangements to receive and expend the money. No County dollars involved.
 - 2) **DSS:** Approve receipt of \$151,144 for crisis intervention, and authorize the Finance Officer to make the necessary arrangements to receive and expend the money. No County dollars involved.
 - 3) **DSS:** Approve receipt of \$36,893 for LIEAP (Low Income Energy Assistance Program), and authorize the Finance Officer to make the necessary arrangements to receive and expend the money. No County dollars involved.

Motion was made by Vice Chair McDow and duly seconded by Commissioner Alford to approve the Consent Agenda with the addition of the two DSS budget amendments. Vote: Motion unanimously approved.

Item 7. Policy Committee recommendations: Guns in Parks and Board of Equalization and Review appointments

Commissioner McCall, who serves as Policy Committee Chair, said after review of the information, input from the community and organization recommendations, the Policy Committee voted two to one to ask the County Attorney to draft an ordinance that would prohibit the carrying of all weapons and concealed carry weapons in parks and areas to the extent allowed by North Carolina law.

Commissioner McCall said the recommendation is for review only so the Commissioners would have additional time to study the issue.

Commissioner Alford, who serves on the Policy Committee, said he was the dissenting vote. Commissioner Alford explained that the County does not have anything in place to enforce the ordinance — no gates, no fences surrounding parks. Commissioner Alford said he does not want weapons in parks, but he sees no way to enforce it, and that's why he thought it would be best not to do anything.

Chairman Davis asked the Board of Commissioners to review the recommendation and make a final decision at the March meeting.

Commissioner McCall said a draft Board of Equalization and Review appointment policy and Conflict of Interest statement are included in the agenda for review by the Commissioners.

Chairman Davis asked the County Attorney to review the recommendations regarding the Board of Equalization and Review to ensure the County is in compliance with State regulations.

Item 8. Appointments to Boards and Committees

Motion was made by Vice Chair McDow and duly seconded by Commissioner Cooley to appoint Ms. Cathy Gilchrist to a three-year term on the LRCOG Scotland County Adult Care Home Community Advisory Committee. Vote: Motion unanimously approved.

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Motion was made by Vice Chair McDow and duly seconded by Commissioner Alford to appoint Laurinburg City Council Member Curtis Leak to a four-year term on the Southeastern Economic Development Commission. Vote: Motion unanimously approved.

Item 9. Local Government Commission letter and County response

Chairman Davis said when the County received the letter from the Local Government Commission (LGC), it was made available to the media. He said the letter is public record and is available upon request, it is not all doom and gloom. Chairman Davis read the letter of response from the County to the LGC dated January 30, 2012:

Dear Ms. Edmundson,

Thank you for your letter dated January 25th. The Board of Commissioners is well aware of your concerns.

Scotland County was hit harder by the recession than predicted. The previous Board of Commissioners tried to maintain levels of service by using fund balance without increasing taxes. When the budget process for 2012 began the fund balance for the 2011 fiscal year-end was projected to be 5.77%. The current Board of Commissioners decided that no fund balance would be used to balance the 2011-2012 fiscal year budget. Every program would be considered for reduction or elimination, and revenues would be projected conservatively.

The current Board of Commissioners understood the financial condition of Scotland County and made the budgetary decisions necessary to address it. In developing the 2012 budget every department, every program and every project was reviewed for reduction or elimination.

As a result the Board of Commissioners reduced the County's budget in the general fund from \$41.6 million to \$37 million, a reduction of \$4.5 million or 11% of the total budget. Cuts were made in every department, and nonessential programs in human services departments were all but eliminated.

Staff was reduced. County employees were furloughed for six days, representative of a 2.5% reduction of salaries for all employees. Longevity pay was eliminated. 401(k) contributions were reduced from 3.75% to 2%. The Commissioners reduced their salary by 50%. Every department took a hit.

Revenue projections were based on a more conservative model. The 2011 revaluation showed an increase in the Scotland County's valuation with a revenue neutral tax rate of \$.975. The Board of Commissioners voted to increase the tax rate to \$.99 and institute an aggressive tax foreclosure program. 2012 will be the first full year of this program. Even with an increase in the tax rate and the foreclosure program the County reduced the budgeted tax collections by \$1.1 million.

Sales tax revenues rapidly declined over the last three years from 2009 until 2011. The County budgeted a 23% decrease in sales tax revenues. During that same point in time sales tax actually dropped 36%. The county used information from the state and the NCACC to develop revenue projections over the last three years. The actual decline was simply far greater than anyone projected.

For the 2012 fiscal year the NCACC and the states' economist projected slight increases in sales tax revenues statewide. Continuing a conservative path the Board of Commissioners instead budgeted an additional 6% decline in sales tax revenue for the 2012 fiscal year. As of December 2011 collected sales tax revenues are on par with last year. If this trend continues, revenues will exceed budget by \$300,000.

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The Board of Commissioners increased EMS and Building Inspections fees. The board is monitoring federal budget discussions to see how they will impact revenues for human services.

The Public Works Fund continues to be an area of concern. The Board of Commissioners significantly increased rates over the last three years. With the recession stalling new home and commercial construction, local construction-related industries significantly decreased production. Scotland County has also suffered numerous plant closings. These factors negatively impacted the volume and revenue at the County's landfill. As a strategy to deal with the loss of revenue the County applied for and received a permit modification allowing for the vertical expansion of the landfill. The landfill expansion will increase its useful life and extend the amortization of the closure costs over 30 years. The County Commissioners continue to look for methods to reduce costs in Public Works. One example is to develop methods to reduce costs at the waste collection centers.

The Board of Commissioners has been working to adjust the water districts financial condition. Minimal new customer growth over the last several years indicates the size of the water districts might have peaked.

In the last two years the County Commissioners increased the base water rate from \$16.50 to \$22.00. Additional rate increases are being considered to match other regional water systems. An expansion at Scotland Correctional Institution, the system's largest water customer, increased water demands. With these changes, it is projected the water districts will show an increase in cash and fund balance this year. The Board of Commissioners will continue to monitor the water districts to ensure they are profitable going forward.

The Board of Commissioners understands the financial condition of Scotland County is important to every citizen. The Board of Commissioners are the fiscal stewards for the citizens of Scotland County. Demonstrated by the 2012 budget, the Board is dedicated to making decisions and taking actions necessary to meet the needs of the citizens of Scotland County.

Chairman Davis said the financial issues were not something that happened overnight. He said the current Board did not use fund balance in this fiscal budget and will not use fund balance to balance the budget moving forward.

Item 10. Update from the County Manager

Mr. Patterson said County and Laurinburg staff will meet 6:30 p.m. February 8 in the City Council Chamber to discuss tax collection contracts. The Commissioners and City Council are invited to attend. The meeting is for information and is not a joint meeting. No action would be taken.

The midyear retreat is scheduled for 9 a.m. February 13 at 507 West Covington Street.

Mr. Patterson, EMS Director Roylin Hammond and the emergency management coordinator for Richmond County met with the State 911 Board Executive Director to discuss potential grant funding for the construction of the EOC 911 project. The \$650,000 federal grant deadline is May 2013 but an extension for this grant might be requested.

The Chamber of Commerce will host its annual State of the County presentation 8 a.m. February 16 at the Dulin Center. The Commissioners agreed to host a similar event 5:30 p.m. March 8 at Scotland Place.

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Resolutions from Gaston and Carteret counties and a letter opposing the feasibility study for the proposed North Carolina International Terminal at Southport are attached.

Comments from the Chairman and Commissioners

Commissioner Cooley suggested the Commissioners discuss the feasibility of creating separate accounts for the Water Districts at the budget retreat.

Commissioner Alford said he would be out of town on behalf of the County and would not attend the March 5 Board of Commissioners meeting.

Item 11. Closed Session

Motion was made by Commissioner Cooley and duly seconded by Commissioner McCook to go into Closed Session in accordance with N.C. General Statute §143-318.11(a)(4) to discuss matters relating to the location or expansion of business in the area served by this body and N.C. General Statute §143-318.11(a)(6) to consider qualifications, competence, performance, character, fitness, conditions of appointments, or conditions of initial employment of a present or prospective public officer or employee. Vote: Motion unanimously approved.

OPEN SESSION RESUMED

The Board of Commissioners by consensus agreed to add to the budget retreat agenda the process utilized by the Tax Department to advertise liens.

Motion was made by Commissioner Alford and duly seconded by Commissioner Cooley to recess to 9 a.m. Monday, February 13, at 507 West Covington Street. Vote: Motion unanimously approved.

Ann W. Kurtzman
Clerk to the Board

Bob Davis
Chairman