

***Scotland County Board of Commissioners reconvened regular meeting February 19, 2019, Board Retreat, Edwin Morgan Center, 517 Peden Street, Laurinburg, NC***

**Scotland County Board of Commissioners reconvened meeting, February 19, 2019, Board Retreat, Edwin Morgan Center 517 Peden Street, Laurinburg, NC**

Commissioners in attendance: Chair Bob Davis, Vice-Chair Carol McCall, Commissioners Betty Blue Gholston, and Tim Ivey. Staff in attendance: County Manager Kevin Patterson, Finance Officer Beth Hobbs, Tax Administrator Mary Helen Norton, Human Resources Manager Susan Sanders, Risk Manager Lori Parks, Public Buildings Director Mike McGirt, Parks and Recreation Director Bryan Graham.

Chairman Bob Davis called the reconvened meeting to order, and delivered the invocation.

**Strategic Goals Summary**

County Manager Kevin Patterson began the meeting by reviewing the strategic goals. According to Mr. Patterson, the fire substations inspections have been completed and the Office of State Fire Marshal has to send out the information to the insurance companies and as homeowner's policies start to renew then they should see significant savings with their home insurance policies but homeowners will need to prompt their insurance companies. This will affect those homeowners who were considered without fire coverage, which are those that are five miles outside of Laurinburg and Gibson and people in the northern parts of the county away from Laurel Hill and Wagram. People who were already inside the five mile radius of fire stations are not going to see an impact because they were already in coverage area. Wagram is looking to drop from a 7 rating to a 6, which is as low as a home area can get. Wagram had some paperwork that needed to be updated which dropped their rating. This was also because of a different requirement by the state to require the fire station to have water on hand.

Mr. Patterson also updated the Board on the communication tower. According to Mr. Patterson the Federal Government shutdown did have a delay for the permitting for the Federal Aviation Administration (FAA) and the Federal Communication Commission (FCC). According to Mr. Patterson a November or December completion date is still expected. The construction time is still a 6 month timeframe and most of that is offsite construction. Since the tower is going from 350 feet to 399, the County has to have an FAA permit.

Mr. Patterson next reviewed the building projects with the Board. Mr. Patterson stated that now is the time to begin planning on what is going to happen with Covington Street Elementary School that is going to be used by the community college. The building will be considered general business, not educational in terms of the building code. Because of the reclassification, a renovation will have to be done to turn one of the classrooms into a bathroom. According to Mr. Patterson the building should be ready for use by September. County Attorney Ed Johnston asked if the property would need to be rezoned. Mr. Patterson stated that he didn't think so but he would verify.

Mr. Patterson also offered a recommendation to the Board that a work session be scheduled in September or October to come together to work on another three year strategic goal plan.

**Financial Update**

***Scotland County Board of Commissioners reconvened regular meeting February 19, 2019,  
Board Retreat, Edwin Morgan Center, 517 Peden Street, Laurinburg, NC***

The Board next heard from Finance Officer Beth Hobbs. Mrs. Hobbs reviewed the revenues and expenditures in the general fund. According to Mrs. Hobbs the revenues have been coming in better than expected and has the County with about a \$4.3 million surplus as of January 31st. According to projections the expenditures are outpacing the revenues by about \$341,000. Most of this is due to the FEMA work that has been done and having to take money from other places for FEMA work. According to Mr. Patterson, we know that FEMA is going to reimburse the County it just that we don't know when. If it is more than 90 days from the end of the fiscal year, it can't be counted as a receivable for this year. Commissioner Ivey asked about why all of the revenue wasn't actualized in the projection. Mrs. Hobbs stated that not all of the revenue is received by the state and federal for DSS and Health Department revenues. Discussion followed about FEMA reimbursable revenues. According to Mr. Patterson, there are a lot of FEMA related work that is just beginning especially at the landfill. Mr. Patterson stated that one of the largest items that is occurring is the grinding operation of leaf and limb, about 9,000 tons of debris. This operation will have to be completed before the County can apply for reimbursement. Commissioner Gholston inquired if FEMA and insurance has paid for all the storm damage. Mr. Patterson stated that deductibles had to be paid but a large portion will be covered. According to Mr. Patterson, FEMA will pay 75% and the state has agreed to pay 25%. Mrs. Hobbs then moved to fund balance. According to projections (actual numbers aren't available because the audit is still ongoing) the fund balance for June 30, 2018 will be \$16.4 million or unassigned fund balance of 25.79%. According to Mrs. Hobbs the projected fund balance for June 30, 2019 will be \$16.1 million or an unassigned fund balance of 23.61% . Discussion followed about the Board's fund balance policy and about the fund balance. Mrs. Hobbs then reviewed the budget for the landfill and stated that revenues outpaced expenditure in the actual by \$816,716 and the County is expected to have \$1.2 million of cash by June 30 . Commissioner Ivey asked about the large increase of revenue and asked if this was due to storm debris. Mrs. Hobbs stated that it had a lot to do with storm debris. Mr. Patterson reminded the Board that the landfill situation was much better than a few years ago but the landfill still has a negative fund balance because of the accrued closure/post closure funds and that the County is still looking at about \$3 million in closure/post closure costs and the next goal is to get to a positive fund balance. Mrs. Hobbs next reviewed the water districts budgets. According to Mrs. Hobbs the projections for the water districts will have a revenue over expenditure of \$269,744 and a projected cash balance of \$1,586,440. Discussion followed about the revenue and depreciation of the water system. According to Mr. Patterson, the County is not looking at any changes to water rates for the coming year and one of the capital needs for the coming year is generators to continue water pressure during extended black outs. Also according to Mr. Patterson during the storm there were about \$60,000 in water line repairs. Mr. Patterson also mentioned that there will be a need to do some repairs and upgrades to the Cascade facility in Wagram. This is a non-potable, fire suppression system only. Discussion followed concerning the discharge permit for the Lumber River and the County wants to keep the permit because the Lumber River is designated and protected river.

**Capital Projects**

Mr. Patterson next moved to capital projects that are going to be coming up within the next 18 months. The first projects Mr. Patterson mentioned was the Covington Street complex project. Mr. Patterson stated that this project is expected to be completed within calendar year 2019, to include the paving. According to Mr. Patterson, the government complex paving phase

***Scotland County Board of Commissioners reconvened regular meeting February 19, 2019,  
Board Retreat, Edwin Morgan Center, 517 Peden Street, Laurinburg, NC***

one will be completed in calendar year 2019 and phase two will be completed in fiscal and calendar year 2020. The construction of the communication tower is causing the repaving at the government complex to be split into two phases. The front part of the parking lot in front of the health department would not be completed until after the communication tower is constructed. Mr. Patterson stated that the bid opening for this project occurred yesterday. Mr. Patterson informed the Board that five contractors had been contacted and only two supplied a bid. Mr. Patterson stated that in the base bid the front parking lots of the government complex would be completely repaved but the rear parking lot would be a crack and seal operation. Mr. Patterson further stated that the bid also had two addendums. Addendum two was the driveway to West Boulevard. Addendum three was to completely remove and replace the two front sections of the parking lot as well as the rear and the driveway in back. According to Mr. Patterson, staff needs direction of what the Board would like to do because if the Board accepts the addendums the lowest bid would change. Discussion followed on the condition of the parking lots also about adding additional parking spaces and it was agreed by the Board that the crack and seal solution would only be a temporary solution. Mr. Patterson stated that he was sure that the County could work with the contractor to add additional spaces. Public Buildings and Grounds Director Mike McGirt also reminded the Board that the numbers are not solid numbers because it is never sure what the contractors might run into. Following discussion **Motion was made by Vice-Chair McCall to accept addendums 2 and 3 and to become part of the bid for paving at the Scotland County Government Complex. The motion was duly seconded by Commissioner Ivey. Vote: Unanimous.** Mr. Patterson and Mr. McGirt then revealed the names of the contractors. According to the bid tabulation, Barnhill Contracting Company had the lowest base bid but when the addendums were added into the bid Hudson Paving, Inc. had the lowest total bid. Commissioner Ivey asked if the County was bound by the low bid. Attorney Johnston stated that as long as the bidder was responsible the County was bound to the low bid. Upon hearing from Attorney Johnston, **Motion was made by Commissioner Ivey to award the paving contract for the Scotland County Government Complex. The motion was duly seconded by Commissioner Gholston. Vote: Unanimous.** County Manager Patterson asked the pleasure of the Board for the Covington Street complex paving project. **Motion was made by Vice-Chair McCall to approve Hudson Paving for the Covington Street complex paving project. The motion was duly seconded by Commissioner Ivey. Vote: Unanimous.** Mr. Patterson then informed the Board about other paving projects that will be coming up in the near future. Among these will be paving at the courthouse annex, the courthouse, and the library. Discussion followed concerning the funding and timing of the paving projects. Mr. Patterson stated that all of the projects needed to be completed in the next five years and hopefully within the next two to three years. Mr. Patterson next moved to the possible relocation of the register of deeds office. According to Mr. Patterson renovation and rehabilitation of the Covington Street complex is almost complete. By doing a little more renovation it would be possible to move the register of deeds to the Covington Street complex to collocate with the tax department. Discussion followed with Register of Deeds Page Pratt concerning access by attorneys to documents if they were to be moved from the courthouse. Mr. Patterson stated that an engineer has given preliminary drawings for the register of deeds space. Discussion followed about what will happen to the space in the courthouse once the tax office and register of deeds move out. Vice-Chair McCall asked if action was needed to which Mr. Patterson responded that he would like to see if the Board had a consensus of going forward. The Board was in consensus that it would like to move forward with the relocation of the register of deeds. The Board next heard

***Scotland County Board of Commissioners reconvened regular meeting February 19, 2019, Board Retreat, Edwin Morgan Center, 517 Peden Street, Laurinburg, NC***

from Mr. Patterson and Mr. McGirt concerning buildings and needed improvements at buildings. These include upgrading the HVAC controls at the courthouse. Chairman Davis stated that at some point the jail needs to be looked at, discussion followed about the jail and recent jail inspection. Mr. Patterson stated that right now there is a lot of moisture in the jail and have had plumbers, engineers, and others to try to find where the moisture is coming from. Also according to Mr. Patterson the courthouse is due to have a water seal treatment because it has not been done in 10 years and it is only a 5 year treatment. Commissioner Gholston asked about the possibility and cost of moving the regular meeting to the Emergency Operations Center (EOC) from the AB Gibson Center. Mr. Patterson stated that there would be no cost if nothing is done or to have adjustable height chairs and tables to see and be seen better. Mr. Patterson then brought the Board's attention to the County's fleet of vehicles, not counting law enforcement, ambulances, or transportation buses. According to Mr. Patterson the County owns 58 of those vehicles, with the majority of those over 10 years old. Mr. Patterson stated that he would like to begin a replacement cycles of replacing vehicles about every 10 years and that there needs to be a better strategy of maintaining the fleet. Mr. Patterson state that he would like to purchase an average of 6 vehicles per year and to make sure that employees have the vehicles they need and that the County has the number of cars that are needed. Discussion followed concerning vehicles and the Board agreed that they would like a list of all vehicles as well as the mileage and department of each vehicle.

**Financial Software**

The Board next heard from Mrs. Hobbs and Mr. Patterson concerning the financial software that the finance department utilizes. According to Mr. Patterson, the County is looking to go to Munis software. The current software is very old and the support is not good. The one time cost of the software is \$380,165 for the next budget year and the annual maintenance is \$32,438. Commissioner Gholston stated that the big picture of property taxes need to be kept in mind.

**Revaluation and Outstanding Taxes**

The Board next heard from Mr. Patterson concerning revaluation. According to Mr. Patterson, preliminary numbers have been developed but they keep changing. Mr. Patterson stated that the property values are just slightly more than the old values and that number doesn't include Board of Equalization and Review (BoER), present use, or business personal property listings. According to Mr. Patterson the revaluation looks to be a flat revaluation and a revenue neutral tax rate won't be known until May. The revenue neutral rate is determined by a formula from the State. The Board also heard from Tax Administrator Mary Helen Norton concerning advertising for unpaid taxes which total \$2,403,922.93. Mrs. Norton stated that she would like to advertise the unpaid taxes on March 11, 2019. Upon hearing from Mrs. Norton **Motion was made by Vice-Chair McCall to approve the advertising of the unpaid taxes for Scotland County on March 11, 2019. The motion was duly seconded by Commissioner Gholston. Vote: Unanimous.**

**Budgetary Goals**

Mr. Patterson stated that the Board had heard about his budget goals and would like to hear the Board's priority goals and that he knows that keeping the property tax rate down is always a priority. Commissioner Ivey stated that this is hard to do because no one knows what

***Scotland County Board of Commissioners reconvened regular meeting February 19, 2019,  
Board Retreat, Edwin Morgan Center, 517 Peden Street, Laurinburg, NC***

the final number is going to be on the revaluation. Vice-Chair McCall agreed and stated that it doesn't need to be discussed yet. Chairman Davis stated that the one thing that he feels needs to be addressed is the jail. Commissioner Ivey agreed with Chairman Davis and stated his concern is one whole block is unfinished and could alleviate some of the overcrowding. Vice-Chair McCall stated that she would like to see something to lower the incarceration rate. According to Mr. Patterson, six years ago the North Carolina Department of Corrections threatened to close down the jail. Things have improved significantly since then.

**Solid Waste**

Mr. Patterson also updated the Board on the Snead's Grove Convenience Center site. This site is still closed and under water from Hurricane Florence. According to Mr. Patterson, there has been additional equipment placed at the Livingston Quarters Convenience Center site, which is four miles away. Mr. Patterson stated that the County leases Snead's Grove and Livingston Quarters and that he would like to approach the landowner at Livingston Quarters and negotiate to purchase that property, in addition to additional adjacent property to expand that site. Mr. Patterson also stated that he would like to find and negotiate the purchase of land in the Snead's Grove area for a convenience center site and terminate the lease. According to Mr. Patterson, the County is not looking at significant costs to purchase the land and Snead's Grove has flooding issues outside of hurricanes. Vice-Chair McCall asked if any of the other convenience center sites were affected. According to Mr. Patterson the site on 401 North wasn't closed but it was surrounded by water but Snead's Grove is the only one that needed to be closed. Vice-Chair McCall also inquired if Mr. Patterson was looking at doing this in the current budget year. Mr. Patterson stated that he would at least like to pursue the land purchase for Snead's Grove. The Board was in consensus that they would like for Mr. Patterson to move forward to approach landowners to negotiate the purchase of land for a convenience center site in the Snead's Grove area. Mr. Patterson then stated that because of the storm debris there is an excavator at the landfill that needs to be taken out of primary service, to still be used but not as the primary excavator. Mr. Patterson stated that in the current fiscal year need to look at a lease of another excavator which could be converted to a purchase next fiscal year. The current excavator could be used to manage storm debris and eventually to be used to demolish possessed foreclosed properties. Chairman Davis inquired about the cost of a chipper. The cost of the chipper was reported by solid waste staff as being \$163,000 plus taxes.

**Health Insurance**

The Board next heard from Mr. Patterson and Human Resources Manager, Susan Sanders concerning employee health insurance. According to Mr. Patterson and Mrs. Sanders, health insurance costs have continued to increase and the County is looking at ways to control costs. Mrs. Sanders reviewed with the Board the two health insurance options that are available to employees, the Preferred Provider Organization (PPO) plan and the High Deductible Health Plan (HDHP) which is paired with the Health Savings Account (HSA) and stated that the goal is to keep the total health insurance cost under \$3 million. Mr. Patterson stated that he and Mrs. Sanders had been working on a proposal to have the HDHP be the standard health insurance plan for County employees and the PPO plan to be the "buy-up" plan that would cause a premium to be passed along to employees, only for employees and retirees who currently have the PPO plan. Right now the county pays the entire employee only premium and new employees only have the option of the HDHP with the HSA. According to Mr. Patterson and Mrs. Sanders there is a

*Scotland County Board of Commissioners reconvened regular meeting February 19, 2019, Board Retreat, Edwin Morgan Center, 517 Peden Street, Laurinburg, NC*

difference of premium now between the HDHP/HSA and PPO is \$140.16 per employee. According to Mr. Patterson the vast majority of employees spend less than \$1,000 per year on health costs, but 5% of your population is 50% of claims and about 55% of employees now has the HDHP/HSA. This proposal would be to have the employees pay some portion of the \$140.16 and the cost would be co-shared with active employees and retirees. Discussion followed concerning the HDHP/HSA plan as well as premiums for dependents. According to Mrs. Sanders, pre 65 retirees and active employees will be affected the exact same way. The question is how much is the Board comfortable to pass along to the employees and pre 65 retirees in the way of a premium. Discussion followed concerning retirees and when this will become effective and what percentage is appropriate to make an employee premium. If nothing is done the PPO goes away in 18 years if nothing is done. Following discussion, **Motion was made by Commissioner Ivey that effective July 1, 2019, the base group health plan for Scotland County employees will be the High Deductible Plan (HDHP) paired with the Healthcare Savings Account (HSA) for all current employees. The PPO Plan will become a “Buy-up” plan with a required employee contribution rate. For fiscal year 2019-20, the “Buy-up” premium will be 25% of the amount of the premium variance of the PPO Plan and the HDHP/HSA. The “Buy-up” rate for fiscal year 2020-21 will be 35% of the premium variance. The rate of required employee contribution for the “Buy-up” PPO Plan for subsequent fiscal years will be approved annually by the Board of Commissioners. Motion was duly seconded by Vice-Chair McCall. Vote: Unanimous.** Mr. Patterson then brought to the Board’s attention a proposal by Scotland Healthcare System in which the hospital would add a tier in the employee health plan, basically to offer a discount to people on the County health plan. They claim to provide savings to the County and the employee. There are a lot of administrative complications. The hospital is trying to do this for the larger employers in Scotland County. It will really impact the top three spenders that generated the largest claims. According to Mr. Patterson need to find out if the Board is interested in this proposal. Mr. Patterson stated that the policy committee had heard a discussion of this proposal. Mr. Patterson stated that the County would have to prove the financial projection that the hospital claims. Vice-Chair McCall stated that she was able to hear the entire proposal. The 30,000 foot level has an attraction but as you go down through the levels it has a less attractive appeal. Commissioner Ivey stated that there seems like there is a lot that could go wrong. The Board was of the consensus not to participate in the proposal. Discussion followed about wellness activities.

**Continued Storm Impacts**

The Board next heard from Mr. Patterson concerning impacts from Hurricane Florence. According to Mr. Patterson, there is a grant from the State to help with temporary housing for homes that are still surrounded by water. According to Mr. Patterson there has been a team going to offer assistance to home owners that still have water around their homes. Mr. Patterson stated that there were about 20 homes with water still around them. Of these 5 have been vacated and 15 that are still inhabited. The County has reached out and offered temporary housing until the water goes down and it does look like one property will be a buyout. The United States Department of Agriculture (USDA) has reached out about programs that they have available as well. There might also be private funds that are available. No one has been found that is trapped and cannot be displaced.

*Scotland County Board of Commissioners reconvened regular meeting February 19, 2019,  
Board Retreat, Edwin Morgan Center, 517 Peden Street, Laurinburg, NC*

**Recreation**

According to Mr. Patterson, Commissioner Gibson wanted to have a couple of commissioners, town council representatives, and school board representatives to come together and see where elected officials would like to see where recreation goes as a follow-up to the joint meeting. From the staff side Parks and Recreation Director Bryan Graham is going to speak to the Board about County recreation. Mr. Graham reviewed with the Board the parks plan. According to Mr. Graham there are 11 parks in Scotland County and 9 of those parks have playgrounds. According to Mr. Graham Parks and Recreation shares a budget with public buildings and there is about \$20,000 per year budgeted for playground improvements. Of that \$20,000, about \$8,000 goes to mulch to keep the playgrounds safe. Most of the playgrounds have equipment that is 30 years old. The plan is a five year plan and would like to focus on six parks (Hammond Park, Morgan Complex, Washington Park, Jaycee Park, Market Park, and Murray Park). Mr. Graham informed the Board about some grants (some 100% grants) that he has applied for to enhance the parks. Mr. Graham also stated that he would like to request an additional \$25,000-\$50,000 annually to put into improving the parks, which is \$175,000 over 5 years. Many vendors offer 50% matching grants to purchase playground equipment. Mr. Graham stated that family programming has increased 380% since he first came to Scotland County because the parks and recreation staff is getting out in the community and enhancing playground is another way to do programming and feel that it is an investment. According to Mr. Graham the parks and recreation staff is trying to be creative. Commissioner Gholston asked what does parks and recreation need from the Board? Mr. Graham stated that his department would just like direction. Might need to see where the City of Laurinburg goes with recreation. Vice-Chair McCall stated that she feels like not a lot of people know what they have in Scotland County and if they know what recreation opportunities are out there then the citizens will utilize it more. Vice-Chair McCall also inquired about outdoor basketball courts and if they were part of the plan or if they could be added to the plan. Commissioner Gholston stated that she supports adding more basketball courts to the parks as well and inquired about the cost of adding courts to other parks. According to Mr. Patterson the cost would be about \$20,000 per court. Commissioner Gholston stated that maybe the County could do one per year. Commissioner Ivey asked if the plan is prioritized and that it might need to be prioritized about what is the most important. Mr. Patterson also stated about some parts of the parks need to be demolished. There also need to be something done about the Laurel Hill Community Center and the best course of action might be to demolish part of it. Discussion followed concerning the gym at Laurel Hill and the community center. Mr. Patterson stated that if the Board was agreeable to it, County staff could go ahead and start getting prices for demolition. By doing this there could be partial reimbursement from FEMA. Chairman Davis stated that he applauded Mr. Graham for his efforts. This sentiment was echoed by the other members of the Board.

**Water and Sewer Line**

Mr. Patterson informed the Board that there had been additional information requested from the two lowest bidders for the water and sewer line extension out to the new elementary school. Both have acknowledged receipt of the request and only the low bidder has responded, the second lowest bidder did not respond. Discussion followed about the bidders and how to proceed and if the low bidder is indeed responsible.

*Scotland County Board of Commissioners reconvened regular meeting February 19, 2019,  
Board Retreat, Edwin Morgan Center, 517 Peden Street, Laurinburg, NC*

**Appointment of Deputy Clerk**

Mr. Patterson then moved to the appointment of the Deputy Clerk. Mr. Patterson stated that he would recommend the Board to appoint Jason Robinson to that position. Upon hearing from Mr. Patterson, **Motion was made by Vice-Chair McCall to appoint J. Jason Robinson as deputy clerk of Scotland County. The motion was duly seconded by Commissioner Ivey.**  
**Vote: Unanimous.**

**Commissioner Comments**

Commissioner Ivey then brought to the Board's attention that 6 out of 7 of the historic properties board were ready to resign. According to Mr. Ivey they are wanting more funding from the County and are asking for a full time employee. Commissioner Gholston stated that she felt that the historic properties board did not reflect any places to related to the black community in Scotland County. Mr. Ivey stated that he was only the messenger.

**Adjournment**

Having no further business, **Motion was made by Commissioner Ivey to adjourn and it was duly seconded by Commissioner Gholston. Vote: Unanimous**

J. Jason Robinson  
Deputy Clerk to the Board

Bob Davis  
Chair

(County Seal)