

*Scotland County Board of Commissioners Planning Retreat  
February 22, 2011, 507 West Covington Street, Laurinburg*

**MINUTES**

**Scotland County Board of Commissioners  
February 22, 2011 Planning Retreat  
507 West Covington Street, Laurinburg NC**

At 9 a.m. Chairman Bob Davis reconvened the meeting for the purpose of a Planning Retreat. Commissioners in attendance: Chairman Davis and Commissioners John Alford, John Cooley, Carol McCall and Guy McCook. Commissioners not in attendance: Commissioners Joyce McDow and Clarence McPhatter. Staff in attendance: County Manager Kevin Patterson, County Attorney Edward Johnston and Clerk to the Board Ann W. Kurtzman. Chairman Davis delivered the opening prayer.

**Budget Forecast**

Mr. Patterson said the State is considering significant shifts to counties with the largest impact in public education. Mr. Patterson said the State will take ADM funds, and that is permanent.

Lottery proceeds for school projects will be reduced from 40 percent to 10 percent. Mr. Patterson said the proposed reduction would not even cover the cost of the Wagram School expansion.

Mr. Patterson said the State proposes to transfer to counties workman's comp costs for State employees of the public schools and community college as well as the purchase of school buses and liability for school buses.

Mr. Patterson is awaiting estimates from the schools on what this would cost. Mr. Patterson said the State provided Scotland County Schools \$570,000 a year for school bus purchases. Commissioner McCook asked for information on what the Schools spent on average on buses over the past five years.

Mr. Patterson said the shift of workman's comp to counties also would cover existing claims.

The County Manager said the State proposes to stop funding senior centers, reduce funding for school nurses, health departments services and social services administrative costs and reduce significantly funding for adult protective services.

Mr. Patterson said Governor Perdue also recommended that three-quarters of the one-cent temporary sales tax be continued because it would close the \$2.4 billion budget gap by \$1 billion. The County Manager added that the State expects a four to five percent growth in revenues next year, but it would not be enough to impact the \$1 billion shortfall.

Mr. Patterson said the County is expected to experience a \$300,000 to \$400,000 shortfall in taxes. Property tax collections are on par with the same time a year ago. The local 94.3 percent collection rate is slightly lower than the State average at 97 percent.

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The County Manager identified other reductions proposed by the State, which include the County funding misdemeanor jail expenses up to 120 days and a 10 percent reduction in funding to the Library, which receives one-third of its funding from the State.

The County Manager and Commissioners discussed the Fund Balance and whether it would be wise to use it for operating expenses if there was a need.

Commissioner Alford suggested the Commissioners meet with the Board of Education for a serious discussion about the School “floor.” Commissioner Alford said the County cannot continue to fund the Schools at 56 percent of budget while Scotland County residents suffer because of the school obligation. Commissioner Alford said the County cannot afford it when every year it is making cuts to its own budget.

County Manager Patterson said he directed Department Heads to look at a 10 percent reduction in operating budgets. He said the reduction might mean a reduction in services, which is unavoidable this year.

**Revaluation Update**

Mr. Patterson said revaluation showed an 11 percent increase in property tax, which is \$2 billion more than the 2010 total assessment of \$19.3 billion. He anticipates the tax rate will be revenue neutral at 97.23 cents unless property values exceed \$2 billion. Then the revenue neutral rate will be lower. Mr. Patterson said the change would depend on what utilities and motor vehicles bring.

Tax Administrator Mary Helen Norton said tax collections are more aggressive in the area of foreclosures now that the County has contracted the services of a law firm to help with the foreclosure procedure.

Chairman Davis said the County should maintain a revenue neutral tax rate and go from there. He said the County should not use the Fund Balance no matter what happens.

Commissioner McCook asked for a report at the March meeting on the Fund Balance — what level has it been for the past three years, and how the Fund Balance was used.

Before continuing with space needs, the County Manager discussed the Water Districts. He distributed a statement of revenues, expenses and changes in fund net assets. He provided a chart on operating income, change in net assets and depreciation. He discussed cash flows of the Water Districts and a comparison/analysis of Scotland County and City of Laurinburg water and sewer.

Mr. Patterson said the City water assets are nine times greater than that of the County, and City revenues in water are 4.5 times greater than that of the County. He said the County would look at increasing the base water rate another \$2 this year so the Water Districts would become profitable and self-sustaining.

The Commissioners discussed the development of a water authority and how the process might work.

*(The Commissioners took a break and returned at 10:35 a.m.)*

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**Space Needs**

County Manager Patterson said PCI provided estimates on a 10,000 square-foot DSS expansion at \$1,139,500 versus reworking 12,000 square feet of East Laurinburg School at \$632,400, which would include a new heating and air system and replacement of windows and doors to make it energy efficient.

Mr. Patterson said it would cost an estimated \$120,000 to add new lighting and suspended ceiling and new flooring to the 5,250 square-foot East Laurinburg School gym.

The County Manager discussed other options to free space for DSS including moving 507 West Covington Street staff to East Laurinburg so social services could occupy the West Covington building. He said meeting confidentiality requirements would be an issue for DSS as well as limited parking. Mr. Patterson said there is dirt parking at East Laurinburg School.

He added that a \$1.1 million expansion at DSS would not include additional parking. A resurfacing project at the Government Complex would cost at least \$200,000. Mr. Patterson said resolving logistics by separating agency departments would be a disadvantage if East Laurinburg School came into play. The County would be responsible for an additional building.

The possibility of moving Health Department staff to West Covington Street was discussed. Health Director Ron Sapp said issues of confidentiality similar to that of DSS would have to be addressed. He added that 507 West Covington Street would not accommodate all staff and since clients utilize both Health Department and DSS services, a move might inconvenience them. The County Manager said parking would be an issue, too.

DSS Director Robby Hall said a 10,000-square-foot expansion would accommodate future space needs with consolidation of services. Mr. Patterson said an expansion would also allow for the current facility to be reconfigured for additional space.

Commissioner McCook said the estimates provided do not include signage, phone systems and rewiring for computers. Commissioner McCook said he realizes something must be done, but he said he would like to work through the budget before making a commitment. Mr. Patterson said he would develop additional costs so all options can be fleshed out.

Electronic document storage, another project that would relieve some space, was discussed. Mr. Patterson and Mr. Hall said they will investigate a document storage program developed by Wilson County using federal and State funds. Because federal funds were used, Wilson County would be obligated to share the program with other counties at no cost. Mr. Patterson said if the County chose to use the Wilson County electronic document storage model, there would be hardware and labor costs.

Mr. Sapp asked if the County would accept \$26,000 in State funding to install a digital LED sign at the Government Complex, with messages shared by both agencies. Mr. Sapp said the sign would give the agency an opportunity to use the latest technology in order to get health messages out to the public.

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Commissioner McCook said if it is State funded, the County should use it. Commissioner Cooley said he was concerned about public perception in tough economic times, which is not always easy to explain.

County Manager Patterson said he would develop a cost allocation between the two agencies for upkeep of the sign if the expenditure is approved. Chairman Davis said the sign project would be addressed at the March meeting.

Mr. Patterson said estimates for replacing the Complex roof, excluding the Health Department expansion, is \$103,000. Mr. Patterson said the roof would be similar to the one installed at the Courthouse and would carry a 20-year warranty. Mr. Patterson said the roof could be replaced by reallocating \$125,000 in funds designated for the Speller Building, since the Speller project would not occur in this fiscal year.

Mr. Patterson said if the fascia on the Government Complex was to be replaced along with the roof, it would cost between \$25,000 and \$30,000.

**Motion was made by Commissioner McCook and duly seconded by Commissioner Alford to repair the roof on the Government Complex. Vote: Motion unanimously approved.**

**Discussion: Retiree Benefit Policy**

County Manager Patterson said the County covers health and life insurance for employees hired before July 1, 2004 who have at least 15 years of service prior to retirement or disability. Coverage continues for the life of the employee. For employees hired after July 1, 2004, the benefits remain the same but they end when the retiree becomes eligible for Medicare at age 65. Retiree benefits are just under \$400,000 for this fiscal year.

Mr. Patterson recommended that the Retiree Benefits policies be analyzed so a proposal could be developed to change the eligibility by increasing the years of service required and making the policy for disability retirees the same as for regular retirees. Mr. Patterson reminded that whatever policy is proposed would only be applicable for new hires moving forward.

Mr. Patterson said the NCACC is looking to change its health insurance to a high deductible plan, which would result in a savings. Mr. Patterson said a recommendation would be forthcoming and, if there is a change, it would occur at the calendar year to coincide with flexible spending accounts.

Commissioner McCook said he would like to know what other counties are doing regarding health benefits. Commissioner McCook said the County should be conscious of the investment it has made in its employees and it is important to retain them. County Manager Patterson said he would look at other counties and actual trends.

**Community Assistance Grants alternatives**

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The Commissioners discussed funding non-profits and how the process might be conducted in the next fiscal year.

Commissioner McCall suggested staff develop a request form that can be completed and submitted to the Board for review once or twice a year.

Commissioner McCook asked at what dollar amount should be funded. County Manager Patterson said he would recommend no funds, and the Commissioners would continue to fund Historic Properties at the agreed annual level, the Humane Society and the local match for Hospice, if that program continues.

Commissioner Cooley questioned why the Board would tell the taxpayers where to do their own benevolence. He asked if the governing board wanted to be in the non-profit business.

**Motion was made by Commissioner Alford to set aside \$75,000 for non-profits to make requests at a designated time where Commissioners can vote on the request.**

**The motion died for lack of a second.**

**Motion was made by Commissioner McCook and duly seconded by Commissioner McCall to start out with \$50,000 and do two applications a year, six months apart, with staff establishing times and Commissioners meeting within 30 days after the applications are closed to determine what the Board will fund and to what organizations. Vote: Motion unanimously approved.**

#### **Rules of Procedure**

Chairman Davis said a number of counties form committees of Commissioners to look at policies, capital projects and the budget. The committees would study the issues and bring recommendations back to the Board.

Commissioner McCook said in his opinion a capital projects committee is the most pressing committee to have in place right now.

County Manager Patterson suggested a capital projects committee of Commissioners could be formed and people in specialized areas, who would not be on the committee or have a vote, would be invited to comment in an advisory capacity.

**Motion was made by Commissioner McCook and duly seconded by Commissioner Cooley that the Commissioners establish at the next meeting a capital projects committee to consist of not more than three Commissioners and that staff would talk to Commissioners to determine who would be interested in serving. Vote: Motion unanimously approved.**

Commissioner Alford suggested the Commissioners might want to develop a procedure for election of a Chair.

Mr. Patterson said Vice Chair McDow could not attend the Planning Retreat because of a death in the family.

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He reminded the Commissioners that in light of the United Way funding request, he serves on the United Way as a board member.

Commissioner Cooley asked that the Commissioners at the next meeting be updated on what funding the United Way has already received before the most recent request is considered. Commissioner McCook said he would not have a problem funding United Way as long as the Commissioners vote as a group on the request.

Chairman Davis said he was approached by a few attorneys about tax certification of deeds because there is concern the procedure is not necessary.

County Manager Patterson said counties could require that all taxes are paid and current before a deed is recorded. Tax Administrator Mary Helen Norton said she is gathering information and reviewing options. Ms. Norton said tax certification would require a local act, which, if approved, would create an extra step where attorneys go to the Tax office to certify taxes are paid before the deed is recorded.

**Motion was made by Commissioner Alford and duly seconded by Commissioner Cooley to adjourn. Vote: Motion unanimously approved. Meeting adjourned at 12:55 p.m.**

Ann W. Kurtzman  
Clerk to the Board

Bob Davis  
Chairman