

Special Meeting
June 21, 2004

The Chowan County Board of Commissioners met in special session on Monday, June 21, 2004 at 6:00 p.m. in the Commissioners Room, Courthouse.

Present: Jimmy Alligood, Louis Belfield, Ralph Cole, Jerry Downum, Wayne Goodwin, George Jones, Harry Lee Winslow.

Chairman Belfield called the meeting to order and Commissioner Cole presented the invocation.

The special meeting was recessed to conduct a public hearing to receive comment on the proposed 2004-05 budget.

County Manager Cliff Copeland stated that the budget was available for inspection in his office and posted on the County's website since the June 7 meeting when the budget was presented.

He noted the following major factors influencing the General Fund budget:
Revenues

*No increase in the tax base. Storm damaged property removed from the tax books offset new construction. As property is replaced, the tax base will recover.

*Delinquent taxes are not budgeted this year because the tax office has collected them.

*Jail fees are decreased this year since the State has cut its reimbursement.

Expenses

*Medicaid expenses, over which the County has no control, increased by \$100,000.

*Improved EMS services to provide night coverage and additional required training.

*A 2 1/2% increase to school current expense funding.

*A 2% cost of living increase for employees.

*A 5% increase in medical insurance premiums.

A tax rate increase of \$.05 is included, an increase for the first time since 1997, to \$.74/\$100 value.

Water Fund

The proposed budget also includes an increase in water rates to set aside a reserve fund to maintain and upgrade such items as construction of additional water mains, treatment of backwash and water tanks. The minimum rate is proposed to remain the same, but a revision of the rate structure of water usage in excess of the first 2,000 gallons is recommended at a rate of \$3.25 per thousand gallons. The difference between the cost of \$2.66 per thousand gallons to provide the water and the \$3.25 charged will be utilized to pay debt service and increase reserves.

Alvin Early asked "is there anything we can do" and particularly questioned the use of the convenience sites by contractors and out of county usage when the landfill fee is being by-passed.

Commissioners Belfield and Goodwin, both serving on the Landfill Authority, responded that the Authority is aware of the abuse of the convenience centers and is taking steps to control the problem.

Mr. Copeland responded that the environmental issues involved in operating a solid waste disposal system also increases the cost, now placed at \$52/ton.

The Manager presented letters from Frank Cassell and John Sams objecting to the tax increase. Among other things, Mr. Sams' letter stated that "It is my belief that taxes to improve "quality of life" and general social programs should be increased only if approved by a supermajority of voters (75-80%), not just by a majority of the county commissioners". Mr. Cassell asked "Is it the intent of this board to drive out all retirees from Chowan County, because if it is, you are about to succeed as far as we are concerned", and questioned a family with no children having to pay taxes to provide public education, saying that if he "had 6 children and they were all attending the schools here, I would not hesitate paying increased taxes for them, but we don't and we don't think it is right to be saddled with increased cost because of that. We have enjoyed living here in Riverton, but, should this increase in water and property taxes continue, we will have to look somewhere else, someplace we can still afford to live."

Commissioner Goodwin disagreed with Mr. Sams' letter saying that "instead of coming to the public meeting to talk, he sends these letters with totally ridiculous statements".

Chairman Belfield responded to the statements in the letters saying that the County controlled expenses as much as possible; that a tax increase hurts everybody, but becomes necessary to maintain services that "we all expect from the County".

Commissioner Alligood praised the upgrade recommended for the Emergency Services Department, acknowledging its expense, but "everybody wants it when they need it". He noted the problems with communications during Hurricane Isabel when rescuers could not communicate with Central or the EMS office, and complimented the County for working to avoid such problems again.

No other comments were offered.

The public hearing was closed and the special meeting reconvened.

Mr. Copeland presented the proposed Budget Ordinance, noting that the allocation to the schools technology may need to be revisited, but he will report back to the Board if changes are necessary. Any change will not cause any tax increase.

Mr. Copeland also expressed his appreciation to Lisa Jones and the staff for their work to complete the budget process.

Commissioner Cole made a motion that the County approve the 2004-05 Budget as presented, including the revised water rate schedule, as recommended by the Finance Committee.

ayes 7

no 0

2004-05 Audit Contract

Mr. Copeland presented a proposed audit contract with J.P. Timberlake to perform the 2004-05 audit, with no increase in cost. Commissioner Downum made a motion that the contract be approved.

ayes 7

no 0

Revised 5-Mile Insurance Rated District Map and Description for the Center Hill Crossroads Volunteer Fire Dept and the new Belvidere - Chappell Hill Fire Insurance Rated District

As per the request from the State Fire Marshall's Office, Doug Belch presented a revised map and description of the 5-mile Insurance Rated District, to remove any overlap of coverage, specifically a crossover at Sign Pine Road and Skinner Road.

By motion of Commissioner Goodwin, the Board of Commissioners approved the revised map and description of the 5-mile District, to be submitted to the Department of Insurance.

ayes 7

no 0

The meeting was adjourned.

Nancy B. Morgan, County Clerk