

Regular Meeting
Tuesday, June 18, 2013
8:00 am
Chowan County Public Safety Center
305 West Freemason Street

Minutes

The Chowan County Board of Commissioners held their regular meeting on Tuesday, June 18, 2013 at 8:00 am at the Chowan County Public Safety Center. Present: Chairman Keith Nixon, Commissioners Jeff Smith, Greg Bonner, Ellis Lawrence, Emmett Winborne, Alex Kehayes and John Mitchener.

Staff present: County Manager Zee Lamb, Finance Officer Willie Mack Carawan and Board Clerk Susanne Stallings.

Chairman Nixon called the meeting to order.

Approval of Agenda

Chairman Nixon requested that a discussion regarding Solid Waste fees be added to the agenda under Timely and Important Matters. Commissioner Mitchener moved to approve the agenda with the recommended addition. Chairman Nixon asked for all in favor, the motion passed unanimously (7-0).

Public Comment

Chairman Nixon called for public comment.

Rhonda Jordan, 222 Country Club Drive stated that if there were any overages in revenue that the Board consider using the monies to give a tax relief to the tax payers. She stated a gesture like that would be a symbolic gesture and show appreciation to the tax payers. She stated her concerns with a potential increase in taxes in the coming year with revaluation. She thanked the Board for all of their work and careful consideration in the budget planning process.

John Sams, 218 Queen Anne Dr. thanked the Board for the good decisions made over the past few years in budgeting and building a fund balance. He stated that he has not requested tax relief for the past several years because he understood what the Board was facing with building a fund balance and getting the County back on track. He stated that morally the Board should consider a decrease in the tax rate and give the tax payers a pat on the back. He stated if the Board did this the word would travel across the state and nation and would set an example for other Boards. He requested that the Board consider a one cent reduction of the tax rate.

Introduction of Tax Administrator

Mr. Lamb introduce the County Tax Administrator, Hosea Wilson who started working with the County on May 1, 2013.

Mr. Wilson thanked the Board for the opportunity. He provided the Board with an overview from the Tax office on collections, noting that the County is ahead on collections based on the collection rate for the previous year.

The Board discussed the proposed collection of motor vehicle taxes by DMV.

Mr. Wilson noted this is to come into effect in September 2013 and described some of the efforts by the State and County to educate the taxpayers on the new collection method.

Commissioner Winborne asked for any information on the revaluation.

Mr. Wilson stated that he has been in close contact with the contractor performing the revaluation. He stated that the contractor is still in the field working and canvassing the County. He stated there is no specific indication on the projections, however he will be monitoring sales up until January 2, 2014.

Finance Committee

Finance Officer Willie Mack Carawan provided the Board with budget amendments 1213-078 (4361.30 Appropriating additional grant revenues for Solid Waste Program Scrap Tire and White Goods), 1213-079 (15,994.35 Operational budget year-end adjustments), 1213-080 (9,992.53 Budgeting discretionary revenues for Cooperative Extension Ag and 4H programs), 1213-081 (13,835 additional monies to complete Recreation summer ballgame program).

Mr. Lamb requested that the Board approve the budget amendments in order to allow staff to continue the year-end budget clean up.

The Board discussed the Recreation budget monies and the projects completed with previous budget amendments.

Mr. Lamb noted that a budget amendment was not provided when the Board voted to allow the demolition of the building at Fisher Field.

Chairman Nixon stated his concern with the Recreation budget amendment.

Mr. Lamb noted that additional revenues will come in from concessions and registration fees and the monies appropriated came from revenues.

Chairman Nixon called for a motion on the budget amendments.

Commissioner Smith moved to approve 1213-078. Chairman Nixon asked for all in favor, the motion passed unanimously (7-0).

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Commissioner Smith moved to approve 1213-081. Chairman Nixon asked for all in favor, the motion passed unanimously (6-1 Nixon).

FY 2013-14 Proposed Budget

Chairman Nixon thanked the public for their comments. He thanked the Board for their work and input on the budget. He stated that while the Board does not always agree on policy, the Board continues to work together without having hard feelings.

Mr. Lamb presented the Board with the proposed budget and budget ordinance. He noted that the total amount of the budget had not changed since the May 2013 meeting. He noted there were minor adjustments within the budget. He noted a reduction in contingency to cover additional expenses for the 3% administrative fee for the employee health insurance. He noted a correction to the transfer to the Revaluation fund budget. He stated he appreciated the public comments regarding a reduction in the tax rate. He stated the fund balance is at the goal of the Boards policy of 25%. He noted that one cent on the rate is approximately \$145,000. He noted that there are not any additional revenues in the proposed budget and that the Board previously discussed elimination of the purchase of an ambulance to cover a proposed reduction of the rate. He stated this was one of the suggested means to find the \$145,000. He stated the budget does not collect more revenues than it plans to spend. He added that any reduction in the rate would require a reduction in expenditures. Mr. Lamb provided the Board with the budget ordinance (a copy of the ordinance is in the meeting file labeled June 18, 2013). He requested that the Board approve the proposed FY 2013-14 budget as presented.

Commissioner Mitchener moved to approve the proposed FY 2013-14 budget.

Chairman Nixon stated that the Board has worked hard on the proposed budget. He noted that there are some capital expenses in the proposed budget that have not been in there in the past. He stated that there is extra revenue in the proposed budget but he had hoped that the Board would take the monies from the current fiscal year that were not spent and use them for capital improvements. He stated his concerns over the coming year budget with the revaluation. He stated he was happy with the proposed budget and felt it was a good budget but did not want to go back on his principals. He stated that he hoped next year's budget is not difficult and that the Board would not have to make hard decisions. He stated that because the proposed budget does not include a reduction he would vote no on the proposed budget to remain true to his principals.

Commissioner Mitchener stated that he was aware of the work done in previous years by the Board which included many difficult decisions. He stated he felt it was important to catch up on capital obligations which have not been handled over the past few years because of the fiscal crisis. He stated that with the uncertainties coming from the State with the proposed budget, he felt the County should remain flexible with the current tax rate.

Commissioner Winborne stated that he respected the feelings of his fellow Board members but he planned to vote no on the proposed budget as a symbolic vote. He stated he felt the budget was workable but he felt he should stick to his plan of giving a one cent reduction.

Commissioner Lawrence stated that a one cent reduction is minimal to most home values. He stated if a house was valued at \$1,000,000 the reduction would only be \$100 and he felt that a reduction would not fool the public into thinking they were getting a big reduction.

Commissioner Kehayes stated that he agrees one cent is not much, but he felt the Board could begin setting a trend to reduce taxes over time.

Commissioner Smith stated he agreed with Commissioner Kehayes that by reducing taxes it does create a business friendly environment. He stated that businesses run this County and create jobs. He stated that some home values will decrease with the revaluation, but many business values will remain the same. He stated his proposal would be to keep any monies turned in from the 2012-13 fiscal year that exceed the policy of 25% fund balance be saved by the Board to reduce any burden on the public and businesses. He stated that business values and taxes will go up and by using the revenues from 2012-13 in the 2014-15 budget to reduce an increase in taxes, would benefit both businesses and residents. He stated that he would benefit greatly from a reduction in the tax rate personally budget he felt that the bigger hit is going to be in the budget for the next fiscal year and he felt that is when the residents and businesses will need the most relief.

Commissioner Bonner stated his support of Commissioner Smith's recommendation. He stated that monies turned in will go into reserves and sit there until next fiscal year when the Board knows exactly how much of an impact there will be after the revaluation. He stated this would be used then to reduce the burden on everyone. He stated the public trusts the Board's good judgment.

Mr. Lamb requested that the Board support the proposed budget that they each have worked on. He asked that the Board not vote against a budget because of a one cent reduction. He requested that the Board consider relief after the audit is finalized and the Board has a clearer picture of what is being turned in. He stated he would recommend discussing a reduction or relief after the audit is finalized.

Chairman Nixon asked for all in favor of the motion to approve the proposed budget ordinance for FY 2013-14, the motion passed (4-3 Nixon, Winborne, Kehayes).

Review of the 2013 Meeting Schedule

Chairman Nixon asked if there were any comments on the proposed meeting schedule.

Commissioner Winborne stated he was in support of all night meetings.

Commissioner Lawrence indicated he would provide the Clerk with his teaching schedule.

Chairman Nixon stated that he likes Monday for the work session meeting because of deadlines with the media.

Appointments

Chairman Nixon noted the Board received a request from the Library to reappoint Gwendolyn Moye, Loretta Guard, Craig Miller and Norman Brinkley.

Jim Robison stated that the Library Board fully endorses the reappointment of these members.

Commissioner Smith moved to reappoint Gwendolyn Moye, Loretta Guard, Craig Miller and Norman Brinkley. Chairman Nixon asked for all in favor, the motion passed (7-0).

Senior Center Van

Mr. Lamb stated that the Board previously authorized him to purchase a van for the Senior Center with a cost not to exceed \$15,000. He stated that the van sold quickly after receiving authorization. He requested that the Board allow him up to \$20,000 to search for a 15 passenger van. He stated he is looking for one with low mileage and in good shape. He noted the additional monies would not come from fund balance.

Commissioner Mitchener moved to allow the manager \$20,000 to purchase a replacement van.

Commissioner Smith stated that his experience has been to keep looking until you find what you can afford. He stated for that reason he would not support the request.

Mr. Lamb stated the current van's transmission is slipping, has high mileage and is not safe to drive. He noted the Senior Center has two vans.

Chairman Nixon asked for all in favor, the motion passed (4-3 Nixon, Smith, Winborne).

Solid Waste Fees

Chairman Nixon stated that the Solid Waste Board has approved their budget. He stated that the fund has a balance over \$500,000. He stated that back in 2008 the Board realized that the General Fund was subsidizing the Solid Waste Fund a total of \$1.57 million. He stated the fees for Solid Waste were increased however over the past 4-5 years the Solid Waste Board has done many things to reduce expenses. He stated recycling has increased and more revenues are being

generated through recyclables and scrap metals. He stated that grants are also being sought to reduce the expenses. He stated that he recommends taking \$1 to \$1.50 off the solid waste fee. He stated that the fund will be fine because it has a fund balance around 100%. He stated he would support reducing the rate to \$14 and would help homeowners.

Commissioner Kehayes asked if there was any consideration for reducing commercial rates.

Mr. Lamb stated that needed more research and recommended putting that on a future agenda. He also recommended implementing the fee in September or October to allow time to change the bills.

Commissioner Smith moved to implement a \$14 solid waste user fee in September 2013.

Chairman Nixon stated the commercial fees would be discussed at a later meeting. He asked for all in favor of the motion, the motion passed unanimously (7-0).

Timely and Important Matters

Cost of Living Adjustment

Mr. Lamb stated that 1% was put into a salary reserve line to provide employees with a Cost of Living Adjustment. He stated the Board previously discussed doing a flat amount instead of 1% salary adjustments. He stated he needs direction from the Board on how to distribute that money.

Commissioner Winborne stated he would like to do a flat amount to give more to employees on the lower end of the salary table.

Chairman Nixon stated he agreed but felt that issue was addressed the previous year. He stated he was concerned about retention. He stated that department heads or employees with a higher salary also have more responsibilities and even have been required to have more education. He stated he would support a 1% Cost of Living Adjustment.

Commissioner Smith stated his support of a 1% across the Board Cost of Living Adjustment.

Commissioner Lawrence moved to give a 1% cost of living. After some discussion he rescinded that motion and then moved to give a \$350 salary increase to all employees.

Chairman Nixon asked for all in favor, the motion passed (5-2 Nixon, Smith)

Request from TDA

Board Clerk Susanne Stallings stated that the TDA Director has requested the bulletin Board from the Jailers House and the rocking chairs.

Chairman Nixon passed the gavel to Vice Chairman Smith. He then moved to transfer the assets to TDA. Vice Chairman Smith asked for all in favor, the motion passed unanimously (7-0).

Vice Chairman Smith then handed the gavel back to Chairman Nixon.

Closed Session

Commissioner Smith moved to go into closed session in accordance with NCGS 143-319.11 (a) (5).

Chairman Nixon asked for all in favor, the motion passed unanimously (7-0).

The minutes of the closed session are sealed.

Commissioner Smith moved to come out of closed session. Chairman Nixon asked for all in favor, the motion passed (7-0).

Being no further business, the meeting was adjourned.

D. Keith Nixon, Chairman

Susanne Stallings, Clerk