

Regular Meeting  
May 19, 2014  
5:30 pm  
Chowan County Public Safety Center  
305 West Freemason St. Edenton, NC

MINUTES

The Board of Commissioners gathered at the North Carolina Cooperative Extension Service Building from 4:30pm – 5:15 located at 730 North Granville Street. The Board was provided dinner by Extension Staff and volunteers to celebrate the 100<sup>th</sup> year birthday of Extension, no business was discussed.

Chowan County Board of Equalization and Review  
Meeting  
Monday May 19, 2014  
5:30pm  
**Chowan County Public Safety Center**  
**305 West Freemason Street**

AGENDA

(Continuation of meeting recessed Monday, May 5, 2014)

The Chowan County Board of Commissioners reconvened the Board of Equalization and Review at 5:30pm on Monday, May 5, 2014.

Present Chairman Keith Nixon, Commissioners Jeff Smith, Alex Kehayes, Emmett Winborne, Greg Bonner and John Mitchener.

Commissioner Ellis Lawrence was absent.

Staff present Hosea Wilson Tax Administrator.

Chairman Keith Nixon reconvened the Board of Equalization and Review at 5:30 pm. There were no appeals scheduled to be heard. Tax Administrator Hosea Wilson informed the Board that the next meeting of the Board of Equalization and Review was scheduled for Monday, June 2, 2014 at 6:00pm. Chairman Nixon recessed the Board of Equalization and Review.

Regular Meeting  
Monday, May 19, 2014  
**Chowan County Public Safety Center**  
**305 West Freemason Street**

## **Minutes**

Present Chairman Keith Nixon, Commissioners Jeff Smith, Alex Kehayes, Emmett Winborne, Greg Bonner and John Mitchener.

Commissioner Ellis Lawrence was absent.

Staff present County Manager Kevin Howard, Finance Officer Willie Carawan and Board Clerk Susanne Stallings.

### **Regular Meeting**

Chairman Nixon called the regular meeting to order and led the pledge of allegiance. Commissioner Mitchener then offered the invocation.

### **Approval of Agenda**

Commissioner Smith moved to approve the agenda as submitted. Chairman Nixon asked for all in favor, the motion passed unanimously (6-0).

### **Public Comment**

Chairman Nixon opened the floor to public comment in accordance with NCGS 153A-52.1. There was none.

### **3. Consent Agenda**

Chairman Nixon then presented the consent agenda.

#### **a. Approval of Minutes**

Attached are the minutes of the April 15, 2014, April 29, 2014 and May 4, 2014 meetings for the Board's review and approval.

The Board noted two corrections to the minutes of April 15, 2014 on the budget amendments headings.

The Finance Officer noted this was accidental from pasting from a previous amendment.

#### **b. Budget Amendments**

**BA1314-052 – Amended**

Account Code	Description	Old	+ or (-)	New
11-3110-014-00	2014 - Ad Valorem Tax	-	(17,446.00)	(17,446.00)
11-3343-890-00	Building Permits	(75,842.00)	(17,100.00)	(92,942.00)
11-3347-000-00	Planning Fees	(5,000.00)	(1,758.00)	(6,758.00)
11-3531-275-00	Medicaid Hold Harmless	(175,000.00)	(41,911.00)	(216,911.00)
11-3835-822-00	Sale of Property	(20,251.00)	(24,000.00)	(44,251.00)
11-3839-890-00	Miscellaneous Rev	(5,000.00)	(2,267.00)	(7,267.00)
11-4140-191-00	Prof Svcs - Tax Audit	15,000.00	17,246.00	32,246.00
<b>11-4240-299-00</b>	<b>Departmental Supplies</b>	<b>4,928.61</b>	<b>2,204.00</b>	<b>7,132.61</b>
11-8200-183-01	Hospitalization - 3% Commission	18,386.00	9,750.00	28,136.00
11-8200-185-00	Unemployment	5,000.00	10,862.00	15,862.00
11-8200-321-00	Telephone / Postage	500.00	4,500.00	5,000.00
11-8200-451-00	Insurance - Property & Liability	126,214.00	675.00	126,889.00
11-8300-692-00	Nat. Assoc. Of Gov Unit	400.00	50.00	450.00
11-8300-906-00	Abemarle Commission - RPO Match	2,255.00	236.00	2,491.00
11-9900-999-00	Contingency	12,822.00	91,921.00	104,743.00
<b>Cost Associated with Operations</b>		<b>(95,587.39)</b>	<b>32,962.00</b>	<b>(62,625.39)</b>
11-8200-183-02	Hospitalization - Reserve	11,614.00	(11,614.00)	-
11-8200-991-00	Salary Reserve	43,000.00	(43,000.00)	-
11-4120-125-00	Stipend - Cellphone	-	140.00	140.00
<b>Central Services / Administration &amp; Finance</b>				
11-4140-121-00	Salaries & Wages - Regular	174,159.00	1,350.00	175,509.00
11-4140-182-00	Retirement	12,314.00	100.00	12,414.00
11-4140-183-00	Hospitalization	27,360.00	200.00	27,560.00
<b>Tax Office</b>				
11-4170-121-00	Salaries & Wages - Regular	35,730.00	350.00	36,080.00
11-4170-182-00	Retirement	2,526.00	25.00	2,551.00
11-4170-183-00	Hospitalization	5,700.00	45.00	5,745.00
<b>Board of Elections</b>				
11-4180-121-00	Salaries & Wages - Regular	99,142.00	1,051.00	100,193.00
11-4180-182-00	Retirement	7,010.00	75.00	7,085.00
11-4180-183-00	Hospitalization	17,100.00	75.00	17,175.00
<b>Register of Deeds</b>				
11-4190-121-00	Salaries & Wages - Regular	37,485.00	351.00	37,836.00
11-4190-182-00	Retirement	2,650.00	30.00	2,680.00
11-4190-183-00	Hospitalization	5,700.00	50.00	5,750.00
<b>Land Records</b>				
11-4210-121-00	Salaries & Wages - Regular	60,683.00	425.00	61,108.00
11-4210-182-00	Retirement	4,290.00	35.00	4,325.00
11-4210-183-00	Hospitalization	6,840.00	65.00	6,905.00
<b>Informat Technology</b>				
11-4268-121-00	Salaries & Wages - Regular	41,255.00	350.00	41,605.00
11-4268-183-00	Hospitalization	5,700.00	50.00	5,750.00
<b>Senior Center</b>				
11-4270-121-00	Salaries & Wages - Regular	273,292.00	3,900.00	277,192.00
11-4270-182-00	Retirement	22,487.00	500.00	22,987.00
11-4270-183-00	Hospitalization	53,350.00	250.00	53,600.00
<b>Central Communications</b>				
11-4310-121-00	Salaries & Wages - Regular	580,534.00	5,600.00	586,134.00
<b>Sheriff's Office</b>				
11-4312-121-00	Salaries & Wages - Regular	102,263.00	1,050.00	103,313.00
11-4312-183-00	Hospitalization	17,100.00	135.00	17,235.00
<b>School Resource Officer</b>				
11-4330-121-00	Salaries & Wages - Regular	25,500.00	175.00	25,675.00
11-4330-182-00	Retirement	1,856.00	25.00	1,881.00
11-4330-183-00	Hospitalization	2,850.00	25.00	2,875.00
<b>Emergency Management</b>				
11-4350-121-00	Salaries & Wages - Regular	137,075.00	1,075.00	138,150.00
11-4350-181-00	FICA Tax	10,487.00	25.00	10,512.00
11-4350-182-00	Retirement	9,691.00	75.00	9,766.00
11-4350-183-00	Hospitalization	17,100.00	150.00	17,250.00
<b>Building Inspections</b>				
11-4730-121-00	Salaries & Wages - Regular	60,130.00	725.00	60,855.00
11-4730-182-00	Retirement	4,251.00	50.00	4,301.00
11-4730-183-00	Hospitalization	11,400.00	100.00	11,500.00
<b>Soil &amp; Water</b>				
11-6130-121-00	Salaries & Wages - Regular	213,575.00	2,500.00	216,075.00
11-6130-182-00	Retirement	15,100.00	200.00	15,300.00
11-6130-183-00	Hospitalization	39,900.00	325.00	40,225.00
<b>Recreation</b>		<b>2,198,199.00</b>	<b>(32,962.00)</b>	<b>2,165,237.00</b>
<b>Balanced:</b>		<b>#####</b>	<b>\$ -</b>	<b>#####</b>
<b>Justification:</b>				
<i>Addressing various budget shortfalls and surplus to cover operational costs</i>				

**BA1314-053**

Account Code	Description	Old	+ or (-)	New
11-4320-183-00	Hospitalization	57,000.00	(7,000.00)	50,000.00
11-4320-193-00	Professional Services - Medical Cont.	80,000.00	(12,000.00)	68,000.00
11-4320-695-00	Contracted Services - Central Prison	24,000.00	(2,000.00)	22,000.00
11-4320-696-00	Contracted Services - Reg / Co. Jail	8,000.00	(2,200.00)	5,800.00
11-4310-550-00	Capital Outlay - Vehicles	50,000.00	23,200.00	73,200.00
<b>Recreation</b>				
	<b>Balanced:</b>	<b>\$ 219,000.00</b>	<b>\$ -</b>	<b>\$ 219,000.00</b>
<b>Justification:</b>				
<i>Realizing financial restrains in the upcoming fiscal year, Sheriff Goodwin is asking to utilize currently budgeted fund to replace a vehicle in this fiscal year.</i>				

The Board discussed BA 1314-052.

Mr. Carawan explained that this budget amendment was approved at the last regular meeting however there was an error in the departmental supply line which increased the old figure and the total.

Commissioner Smith asked if this amendment increases the total budget.

Mr. Carawan stated yes.

Chairman Nixon asked for clarification on the sale of property not going into capital.

The Board discussed 1314-053 utilizing monies in the current year to purchase a vehicle in the current fiscal year.

Sheriff Goodwin noted that presently these funds are below budget because medical costs are currently down.

The Board discussed needs for capital improvements at the jail.

Sheriff Goodwin stated his goal was to end the current fiscal year within budget.

Chairman Nixon recommended considering capital improvements after the FY 2013-14 audit is completed.

The Board discussed the purchase of the Sheriff vehicle.

Sheriff Goodwin stated he felt it was important to have a vehicle replacement plan in place as many of the vehicles are aging. He stated that patrol vehicles breaking down on the way to answer a call could present a public safety issue.

Commissioner Smith moved to approve the minutes. Chairman Nixon asked for all in favor, the motion passed unanimously (6-0).

Commissioner Winborne moved to not approve (reverse the action from the previous meeting where the amendment was approved) BA 1314-052. He stated he felt this amendment should be revisited at the end of the year.

Chairman Nixon asked for all in favor, the motion passed unanimously (6-0).

Commissioner Winborne moved to approve BA1314-053 and authorize the purchase of the Sheriff vehicle in the current fiscal year. Chairman Nixon asked for all in favor, the motion passed (5-1 Nixon).

### **East Carolina Behavioral Health**

Keith Letchworth, Community Resources Database Coordinator for East Carolina Behavioral Health (ECBH) presented the Board with information on the ECBH's effort to implement NC 2-1-1 in Chowan County.

The Board asked questions about the 211 program.

Commissioner Winborne asked questions regarding ECBH programs and the per capita expense that Chowan County is currently paying.

Mr. Letchworth stated he would defer these questions to Leza Wainwright the director of ECBH.

### **Employee Health Insurance Renewal**

Donna Nixon with Pierce Group Benefits presented the Board with information regarding next year's plan options for the Board's consideration. She noted the plan has a \$32,000 increase as a result of the Healthcare Reform Act. She noted changes in the proposed plan includes changes to the out of pocket expense. She stated that the proposed new plan will consider co-pays as part of the out of pocket expense. She added that the current plan has 80/20 coverage and the proposed plan is 70/30. She provided the Board with a spreadsheet showing the health coverage options that were reviewed with administrative staff. She noted that she recommends the County select Modified Alternate 2.

Chairman Nixon stated that he serves on the Albemarle Regional Health Services Board. He asked if the plan selected by that group compares to the County.

Ms. Donna Nixon stated that the rate for the ARHS group has increase to \$561. She noted the County will see a rate of \$484.14 per employee.

Commissioner Winborne asked for clarification on the fees and services.

Ms. Nixon stated these fees are associated with Healthcare Reform and go directly to the government.

Chairman Nixon asked if all the fees are associated with the Healthcare Reform Act.

Ms. Nixon stated that there are some costs attributed to claim experience and the county's average age range has also increased.

She provided the Board with an overview of the proposed Vision plan that includes no rate increase and is elective and paid by the employee. She the provided information on the proposed Dental Plan and recommends the County select the option with MetLife. She stated the County will realize a savings of \$7,700. She also noted that the Life insurance policy is also recommended to move to Met Life.

Chairman Nixon asked if the County should consider self-insurance.

Ms. Nixon stated that with the baby boomer claims this could be costly for the County.

Chairman Nixon stated he would like to poll what counties provide life insurance and health insurance.

Board members asked what employees think of the proposed plan change.

Human Resources Officer Carrie Byrum stated that employees make the plan selection that is most feasible.

Chairman Nixon asked if going to 70/30 would create more of a hardship.

Ms. Byrum stated that the copays now counting towards out of pocket they will reach the max sooner.

Chairman Nixon asked about looking into HSA insurance plans.

Ms. Nixon stated that with the legislation not being finalized, she thinks that HRA and HSA plans may begin to fall off.

Chairman Nixon stated the Board would want to consider in the future the employer contribution for insurance for new hires.

Ms. Nixon stated that some counties are practicing this now but the payment is tied to wellness and tracking.

Chairman Nixon asked when the Board will need to select the plan.

Ms. Byrum stated that employee deductions for July 1<sup>st</sup> will come out of June payroll so she would need to know by the end of May.

Commissioner Mitchener moved to approve the recommended plan changes as presented. Chairman Nixon asked for all in favor, the motion passed unanimously (6-0).

### **Extension Service Annual Report**

Interim Director, Katy Shook provided the Board with an update on the activities and successes of Extension for the past year.

### **Courthouse Security**

Emergency Management Coordinator Cord Palmer provided the Board with a request at the November 19, 2013 meeting and it was subsequently approved at the December 2, 2014 meeting through a budget amendment to replace the Courthouse Card Access System at the Courthouse. He stated that the contractor who was awarded the contract has not fulfilled the agreement and has since declined the work. Mr. Palmer provided the Board with another quote from a second contractor for the Board's consideration. He noted that the quote also includes a cost estimate for repair to the front doors at the Public Safety Center.

Commissioner Smith noted the second quote (not including the quote for the doors at the public safety center) is increased \$2,200 over the first quote.

Chairman Nixon asked for clarification on the warranty of the work.

Chairman Nixon requested that Mr. Palmer research the warranty on the work and bring it back to another meeting.

Chairman Nixon called for a 10 minute recess.

After 10 minutes, Chairman Nixon called the meeting back to order.

### **Additional Public Comment**

Chairman Nixon noted that during the recess he was notified of a resident who arrived late and was requesting the opportunity to speak during public comment.

Joan Stevenson 212 Pamlico Trail stated that she was representing Chowan Beach. She stated the Beach is not a homeowners association so they cannot assess fees for the property owners. She stated that the beach owns a bathhouse and it previously used well water. She stated the Beach has inquired about the cost for getting a water meter at the bathhouse and they cannot afford the meter. She stated she was requesting assistance from the Board to reduce the expense of the meter.

Chairman Nixon asked if this beach is open to members of the public.

Ms. Stevenson stated no there is a gate with a lock.

Commissioner Winborne asked if the residents have looked into a payment plan with the water department.

Ms. Stevenson stated yes, it was still not affordable to set up a payment plan.

Cathy Hines 502 Chowan trail stated that the group does not have funds to purchase a meter. She stated that for \$40 people can join the beach or become an associate member and receive a key.

Chairman Nixon requested that the manager look into the legality of the request from Chowan Beach residents since the beach is private.

### **Planning Update – Abandoned Manufactured Home Grant Program**

Planner Landin Holland provided the Board with an update on Code Enforcement Activities and provided the Board with a draft application for the Abandoned Manufactured Home Grant Program. He stated he would bring the grant application back in June for the Board's consideration and noted the actual grant application is for \$20,000 not \$40,000. He stated that this would allow the county to demolish dilapidated or abandoned mobile homes if a citizen is financially unable to do so. He noted he is also working to coordinate another community clean up.

### **FY 2014-15 Budget Presentation**

County Manager, Kevin Howard presented the Board with the FY 2014-15 proposed budget and provide the budget message.

## **BUDGET MESSAGE**

This FY 2014-2015 budget is presented to you in accordance with the *North Carolina Local Government Budget and Fiscal Control Act*. The proposed budget is presented subject to a public hearing and the Chowan County Board of Commissioners revisions and approval. This budget, as presented, is balanced. The total revenues and expenditures for the General Fund including the Social Services Fund are \$16,071,836.19 compared to the original FY 2013-2014 budget of \$16,158,266.

The FY 2014-2015 budget, as proposed, is based on a \$0.735 tax rate, a \$.05 increase from FY 2013-2014. This increase is due to the \$149,814,754 loss in tax value due to re-valuation. This loss in value led to a \$1,061,396.71 loss in revenues. This budget does not increase water rates, solid waste fees, inspection fees or any other county fees.

County Administration received budget requests, revenue estimates and other financial information from various officials, officers, department heads and agencies of Chowan County. The proposed budget is based on staff information and information provided by and input from, the County Commissioners. Each department or agency presented an original budget request to the Finance Office. Upon receipt, the County Manager met one or more times with each department head to establish a budget to be submitted to the Chowan County Board of Commissioners. Subsequently, the Commissioners have preliminarily reviewed the budget. In the case of special appropriations requested by outside government agencies and nonprofit organizations, including the Edenton-Chowan County Board of Education, the College of the

Albemarle and the Library the recommended appropriations reflect the results of budget work sessions involving the Board of Commissioners and staff.

A copy of the budget has been filed with the Clerk to the Board and is available for public inspection. The Budget Officer will publish a statement in the Chowan Herald that the budget has been submitted to the Chowan County Board of Commissioners, and is available for public inspection in the office of the Clerk to the Board. The same published statement will also give notice of the time and place of the public hearing during which any person who may wish to comment on the budget may appear before the Board of Commissioners.

No earlier than ten days after May 19, 2014, the date of the formal budget presentation, and not later than June 30, 2013, the Chowan County Board of Commissioners must adopt a budget ordinance making appropriations, estimating revenues and levying taxes for FY 2014-2015.

## **Revenue Overview**

**Property Tax Collections** – According to FY 2012-2013 Chowan County audit, the overall tax collection rate in Chowan County was 97.25% in FY 2012-2013. FY 2014-2015's estimated property tax revenues is calculated based upon the audited tax collection rate for FY 2012-2013. According to the FY 2012-2013 audit, the collection rate for real and personal property was 97.92%, and the collection rate for motor vehicles was 88.43% for the combined collection rate of 97.25%. For purposes of estimating next year's property tax revenues, this proposed budget assumes a collection rate of 97.92% for real and personal property and 88.43% for motor vehicles.

According to the FY 2011-2012 Audit the 10 year statutorily enforceable delinquent uncollected taxes owed to Chowan County decreased from \$678,868 as of June 30, 2012 to \$623,192 as of June 30, 2013.

County staff is committed to increasing the tax collection rate during future years. In addition, we will focus on collecting prior year delinquent taxes.

**2. Estimated Tax Base and Rate** - The estimated tax base is used in this budget to determine the amount of property tax revenue that will be available in the FY 2014-2015 budget. The estimated tax base amount is provided to the County Manager by the County's Tax Administrator. The amount of revenue that is expected to be collected in the coming year is determined by the tax base amount and the collection rate. See Attachment 2.

The Chowan County 2014 tax year valuation estimate provided by the Tax Administrator provides for a total valuation for FY 2014-2015 of \$1,249,122,625. At 100% collection, each penny of a tax rate assessed will produce \$134,912.26.

The total taxable valuation for real and personal property, and public utilities within Chowan County is estimated at \$1,249,122,625. At 100% collection, each penny of the property tax rate assessed will produce \$124,912.26. When multiplied by a collection rate of 97.92%, each penny of the tax rate should generate \$122,314.08. With the proposed tax rate of \$0.735 per \$100.00

valuation, the 2014-2015 current year anticipated revenues for real and personal properties and utilities are estimated at \$8,990,085.43.

The total valuation for motor vehicles within Chowan County is estimated at \$100,000,000. At 100% collection, each penny of the tax rate assessed will produce \$10,000. When multiplied by a collection rate of 88.43%, each penny of the tax rate assessed should generate \$8,510. With the proposed tax rate of \$0.735 per \$100 valuation, the anticipated revenues for motor vehicles are estimated at \$649,960.05.

Therefore, the FY 2014-2015 budget anticipates the collection of \$9,640,045.93 in ad valorem tax revenues from real and personal property, public utilities, and motor vehicles. This amount represents 59.98% of General Fund revenue.

The FY 2014-2015 budget also anticipates the collection of \$218,500 in prior years' delinquent real and personal property taxes, \$97,500 in prior years' delinquent motor vehicles taxes, as well as \$100,000 in penalties, interest and other miscellaneous charges assessed upon delinquent taxes.

The total amount of the above taxes anticipated in this budget is \$10,056,045. This amount represents 62.57% of General Fund Revenues.

**3. Sales Tax** - Chowan County anticipates collecting \$950,000 in FY 2014-2015 from the local 1-cent Article 39 sales tax. The County General Fund also anticipates collecting a total of \$625,000 from the ½ cent Article 40 sales tax. An additional thirty (30) percent of the Article 40 sales tax by statute is restricted for school capital projects and is sent directly to the School Capital Reserve and is not reflected in the General Fund. The County further anticipates collecting from the ½ cent Article 42 sales tax a total of \$100,000. An additional sixty (60) percent of the Article 42 sales tax by statute is restricted for school capital projects and is sent directly to the School Capital reserve and is not reflected in the General Fund.

The total amount of sales tax revenue anticipated in the General Fund budget is \$1,675,000. This amount represents 10.42% of General Fund Revenues.

In addition, the County will directly deposit an estimated \$671,875 into the School Capital Reserve to meet the Article 40 and Article 42 school capital obligations.

**4. Fire District-** The FY 2014-2015 Fire District Special Revenue Fund anticipates \$478,517 in property tax, sales tax and other revenue for the benefit of fire departments in Chowan County. This fund uses \$86,067.20 in fund balance.

**5. E911/Central Communications** – The FY 2014-2015 E911 Special Revenue Fund anticipates \$88,591 in 911 surcharge receipts. This fund uses \$119,131 in fund balance.

**6. Emergency Medical Service Revenues-** The FY 2014-2015 revenues for the EMS Enterprise Fund are estimated at \$1,475,000 in fees for services and \$201,663 appropriated from the General Fund.

**7. Water Sales and Services** – The FY 2014-2015 combined revenues for water sales for the Chowan County Water District is budgeted at \$1,075,000 and tap fees, connection fees, reconnection fees and penalties increase the total to \$1,148,900. This fund uses \$187,525 in fund balance. The FY 2014-2015 budget anticipates no increase in water rates.

**8. Solid Waste Revenues** – The proposed FY 2014-2015 combined revenues for the Solid Waste Enterprise Fund is estimated to be \$1,073,550. This fund uses \$57,344 in fund balance

**9. Town of Edenton** – The FY 2014-2015 budget anticipates \$262,720 in reimbursements from the Town of Edenton for the Town share of debt service and operating costs of the County Public Safety Center as well as the Town’s agreed share of the Information Technology and Building Inspections office budgets.

**10. Register of Deeds Revenues** – The FY 2014-2015 budget anticipates revenues from real estate registration (recording fees), vital statistics and marriage licenses in the amount of \$152,650. This amount includes \$64,750 in excise tax (deed stamps) to be divided between Chowan County and the State of North Carolina.

**11. Planning and Inspections Office** – Inspection and Planning fees for FY 2014-2015 are anticipated to generate \$107,500 including \$100,000 in building permit fees.

**12. Fines & Forfeitures-** The FY 2014-2015 budget anticipates \$37,500 in the receipt of fines and forfeitures which are remitted to the Edenton-Chowan Board of Education.

**13. Court Fees** – The FY 2014-2015 budget further anticipates \$47,000 in court costs and court facility fees with must be used to maintain the county courthouse.

**14. Jail** – The FY 2014-2015 budget anticipates \$16,500 in jail fees.

**15. Recreation** – The FY 2014-2015 budget anticipates revenues of \$77,569 from registration fees, concessions, special events and the JCPC after-school program grant.

**16. Senior Center/Nutrition** – The FY 2014-2015 budget anticipates revenues of \$25,099 from registration fees, other fees and from the Albemarle Commission for the Nutrition Program.

**17. ABC** - The FY 2014-2015 budget anticipates \$15,500 from the ABC bottle tax and from profit distribution from the ABC Store.

**18. Department of Social Services** – The FY 2014-2015 budget anticipates \$2,266,128 from state revenues for administration and program costs.

**19. Other County Revenues** – Please refer to attachment 1 for other anticipated County revenues for FY 2014-2015.

## **Expenditures Overview**

**1. Public Education – The total school current expense appropriation provided for in the FY 2014-2015 budget is \$3,421,929. This appropriation will be distributed in twelve (12) equal monthly payments.**

The Chowan County Board of Commissioners are committed to improvements in the public education system.

To that end, once again in its discretion, in FY 2014-2015, the Board of Commissioners can appropriate \$200,000 from the County Capital Reserve to the School Capital Reserve. These funds will join sales tax revenues and Lottery Funds as the source of revenue for school capital projects and debt service payments. Sales Tax will continue to pay for the DF Walker debt service and Lottery Funds will continue to be utilized to pay for the QZAB debt service.

The FY 2014-2015 budget provides \$103,573 for the eighth year debt payment due July 1, 2013 for the QZAB interest-free loan, which provided funds for renovations to John A. Holmes High School. Lottery Fund proceeds are designated for this debt payment.

The FY 2014-2015 budget further provides for the debt payment for the DF Walker Elementary School. This payment of \$571,743 in principal and \$63,120.63 in interest for a total of \$634,863.63 is due in FY 2014-2015. The Sales Tax revenues, in part, are designated to this debt payment. The shortfall between sales tax revenues and the DF Walker debt must be paid using the School Capital Reserve Fund balance. Lottery funds are not eligible for the DF Walker School debt service. The school capital reserve fund balance was \$297,704 as of June 30, 2013.

**2. Community Colleges - The FY 2014-2015 budget provides for \$200,000 to be used for the College of the Albemarle Chowan Campus for current expenses and appropriates \$200,000 for COA capital outlay.**

Further, the current expense appropriation will be distributed in twelve (12) equal monthly payments, and the capital reserve will be distributed to COA on a reimbursement basis, after prior approval and after consultation with the Board of Commissioners for capital outlay expenditures and projects. Reimbursable projects under \$5,000 shall not require Board of Commissioner approval.

**3. Tax Collections - The FY 2014-2015 budget appropriates \$413,293 for tax office operations.**

**4. Sheriff's Office – The FY 2014-2015 budget provides a total of \$1,303,812 for the Chowan County Sheriff's Office. The budget includes funds for three new vehicles at a cost of \$75,000.**

**5. 911 Communications – The FY 2014-2015 provides \$502,568 for the operation of the 911 emergency communications system.**

**6. Emergency Medical Service - The FY 2014-2015 budget appropriates \$201,663 from the general fund to the EMS Enterprise Fund to cover a revenue shortfall in that amount.**

**7. Jail** – The FY 2014-2015 budget appropriates \$745,695 for the operation of the Chowan County Detention Center.

**8. Social Services**– The FY 2014-2015 budget provides for \$1,053,640 in County funds to the Social Services fund. All the Social Services budgets previously in Fund 11 were combined in a new Fund 12 for budgeting purposes in FY 2012-2013. The new Social Services Fund remains for auditing purposes part of the General Fund.

**9. Recreation** – The FY 2014-2015 budget appropriates \$458,088 for the Recreation Department Operating Budget.

**10. Senior Center/Nutrition** – The FY 2014-2015 budget provides \$150,669 to fund the Senior Center and Nutrition Program for Chowan County senior citizens.

**11. Register of Deeds**– The proposed FY 2014-2015 budget provides \$203,420 for the operation of the Register of Deeds Office.

**12. Land Records** – The FY 2014-2015 budget provides \$69,012 to the Land Records/GIS Department located in the Register of Deeds Office

**13. Animal Shelter** – The FY 2014-2015 budget appropriates \$206,423 for Tri County Animal Shelter operations. It is estimated that \$105,000 will be reimbursed to Chowan County, as fiscal agent, from Gates (\$50,000) and Perquimans (\$55,000) Counties.

This budget includes one-time capital costs of approximately \$17,000.

**14. Elections** – The FY 2014-2015 budget provides for funding in the amount of \$114,947 for the general operation of the Elections Office and for the November 2014 General Election

**15. Public Health** – The FY 2014-2015 budget provides an appropriation in the amount of \$89,688 payable to Albemarle Regional Health Services.

**16. Mental Health** - The FY 2014-2015 budget provides \$33,478 to East Carolina Behavioral Health which includes the county's \$2.00 per capita contribution and the transfer of \$4,000 in bottle tax revenues.

**17. Information Technology** – The FY 2014-2015 budget appropriates \$181,577.05 for County IT expenditures.

**18. Maintenance** - The FY 2014-2015 budget provides a total of \$674,673 for maintenance and utilities of county buildings. This includes \$128,100 for the Chowan County Public Safety Center and \$40,000 for the Courthouse. The FY 2014-2015 budget provides \$343, 148.50 for the Maintenance Department operations. This includes \$19,000 for a new work truck.

**19. Inspections and Planning** - The FY 2014-2015 budget appropriates \$191,154 for the Inspections Department and \$30,500 for contracted services for the Planning Department.

**20. Soil Conservation** - The FY 2014-2015 budget appropriates \$110,623 for the Soil and Water Conservation Program. This includes funds for Hydrilla and Beaver Management

**21. Forestry** - The FY 2014-2015 budget provides an appropriation in the amount of \$61,944 to the Forestry program.

**22. Cooperative Extension** - The FY 2014-2015 budget appropriates \$150,214 to Cooperative Extension Service.

**23. Employee Health and Dental Insurance** – The County will provide health, dental, life and vision insurance through United Health Care.

**25. Shepard Pruden Memorial Library** - The FY 2014-2015 budget provides \$195,954 for operating expenses.

**26. Fire** – The FY 2014-2015 budget provides \$198,929 for operations and equipment as well as \$48,655 for debt service to the Center Hill Crossroads Volunteer Fire Department.

The budget further provides \$287,000 to the Town of Edenton for its fire services to the non-town residents of Chowan County. This amount is recalculated each year based upon a five year average of Edenton Fire Department calls outside of the town limits. Next year's County share represents 41.5% of the Town's fire budget.

The Budget provides \$15,000 for operations and \$15,000 for a tanker to the Belvidere Chappell-Hill Fire Department.

**27. Debt Service** - The FY 2014-14 budget provides \$1,960,972 in principal and \$349,585 in interest toward the County's debt obligation, a total of \$2,310,557 for debt service.

**28. Other County Expenditures** – Please refer to the Manager's Recommended Budget Workbook for other budgeted expenditures for FY 2014-2015.

This budget represents our best estimate of revenues and expenditures during the coming year. As with any budget, during the course of the coming fiscal year, adjustments may be required to amend the adopted budget. The Chowan County Board of Commissioners is required to approve any such budget adjustments, which increase or decrease a department's total expenditures during the course of the fiscal year.

I urge the Commissioners to carefully consider and study this proposed budget. If there are any questions or concerns, please do not hesitate to contact me.

On behalf of your County staff, we look forward to working with the Commissioners during the coming year to provide the best services possible at the most reasonable cost to the taxpayers of Chowan County.

Ms. Stallings noted a copy of the budget message would be online, and the proposed budget would be on display at her office and the library.

Chairman Nixon noted the Board would need to schedule the public hearing for the 2<sup>nd</sup> meeting in June.

Commissioner Smith moved to schedule the budget public hearing for June 16, 2014 at 6:00pm. Chairman Nixon asked for all in favor, the motion passed unanimously (6-0).

Commissioner Smith moved that the Board schedule the next budget worksession for Wednesday, May 21, 2014 at 8:00am and due to advertisement requirements, the Board recess rather than adjourn at the end of the meeting. Chairman Nixon asked for all in favor, the motion passed unanimously (6-0).

### **Manager's Report**

County Manager Kevin Howard noted that work continues at the Northern Chowan Community Center. He noted that abatement at the Hotel Hinton will be completed this coming Friday and mold remediation and drying the building out will begin next.

The Board discussed the removal of the dumpsters at Burnt Mill Road from one of the two areas most heavily damaged by the tornadoes of April 25<sup>th</sup>.

### **Timely and Important Matters**

Commissioner Smith requested that blinds be installed in the lobby windows by the next meeting to help with the sun.

Commissioner Kehayes asked about the status of Riversound Phase I. Mr. Howard noted a conference call has been scheduled for June 11<sup>th</sup>.

### **Closed Session**

Commissioner Smith moved that the Board go into closed session, in accordance with NCGS 143-318 (11) (a) (5,6), contract negotiations and personnel. Chairman Nixon asked for all in favor, the motion passed (6-0).

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 (6-0).

## **Recess**

Being no further business, Chairman Nixon declared that the meeting be recessed until Wednesday, May 21, 2014 at 8:00am.

Regular Meeting  
Wednesday, May 21, 2014  
**Chowan County Public Safety Center**  
**305 West Freemason Street**

Present Chairman Keith Nixon, Commissioners Jeff Smith, Alex Kehayes, Emmett Winborne, Greg Bonner, Ellis Lawrence and John Mitchener.

Commissioner Mitchener came in later.

Staff present County Manager Kevin Howard, Finance Officer Willie Carawan and Board Clerk Susanne Stallings.

Chairman Nixon called the meeting back to order that was recessed on May 19, 2014. He noted that the Board was meeting to discuss the Manager's proposed FY 2014-15 budget which calls for a 5 cent tax increase \$655,785 and \$456,000 appropriation from fund balance. The Board discussed designated and undesignated fund balance. The manager noted that currently the Board's undesignated fund balance is \$4,632,927.

The following discussions regarding the budget are not in chronological order and are summarized by subject as some budgets were discussed several times during the meeting.

## **Revenues**

The Board discussed the proposed revenues noting the following:

- A slight increase in building permit revenues and Article 39
- Chairman Nixon stated his concern with the reduction in revenue from the ABC Board
- Chairman Nixon noted he would like to look into fees at the Senior Center or increasing Recreation fees. Commissioner Bonner stated he did not support fees for patrons using the fitness room at the Senior Citizens.
- The Board discussed Town payment for IT services. Mr. Carawan will look into billing to ensure that the Town is fully cost sharing for all of its servers and IT services.
- The Board discussed additional revenue sources such as an EMS tax, Dog tax and employee retirement insurance.

Later the Board requested that the manager look into revenues for the airport hangar rental.

## **Expenditures**

### **Governing Body**

Budget decreased from previous year, no changes.

### **Administration/Finance**

Mr. Carawan explained the increase in travel was for a required certification he has to have to be a Finance Officer. He noted that the addition to contracted services was for a change to the software for account coding.

Later Chairman Nixon recommended a \$5,000 reduction from travel.

Later in the meeting Chairman Nixon recommended an additional \$5,000 be taken out of the Admin budget.

1 <sup>st</sup> Reduction	\$5,000
2 <sup>nd</sup> Reduction	\$5,000
<b>Total Reduction</b>	<b>\$10,000</b>

### **Tax**

The Board discussed with Tax Administrator Hosea Wilson the contracted services line for business audits. Mr. Wilson noted these audits will most likely be done on smaller businesses as many of the larger businesses have already been audited.

Chairman Nixon recommended taking out \$25,000 from the Tax budget for postage and contracted services.

<b>Total Reduction</b>	<b>\$25,000</b>
------------------------	-----------------

### **Legal**

No change.

### **Courts**

The Board discussed a software request, these questions will be forwarded to Joe Sliva with IT.

### **Elections**

The Board discussed the purchase of equipment which is required by the State. The Board discussed a possible need to increase part time and overtime for the November election. No changes recommended.

### **Register of Deeds**

The Board discussed the software purchase, this question will be forwarded to IT director Joe Sliva. No changes recommended

### **Land Records**

The Board discussed whether or not the Town of Edenton cost shares in this department for GIS. This will be investigated further. No changes were recommended.

### **IT**

The Board noted a decrease in this fund as many computer purchases have moved to other budget lines. No changes were recommended.

### **Central Maintenance**

Mr. Rose shared he wished to take one of his part time positions make it full time and move one part time position to be dedicated to the COA campus. Mr. Howard stated he will be discussing this possibility with COA as part of the annual contribution to the COA budget. The Board discussed that by making the part time position full time, Mr. Rose recommended the addition of a vehicle for this position. The Board discussed if they felt there was a need for one of the maintenance vehicles to be transferred with a maintenance position to COA.

Commissioner Winborne recommended taking out the vehicle request \$19,800 for FY 2014-15 and consider the purchase at the end of FY 2013-14.

Chairman Nixon recommended looking later in the meeting at removing the request for the addition position.

Commissioner Bonner stated he felt the position was needed.

Commissioner Smith stated his concern with the addition of the position.

Later in the meeting the Board discussed the additional position in the Maintenance proposed budget.

Commissioner Smith moved to reduce the maintenance budget the amount equal to the additional position. Chairman Nixon asked for all in favor, the motion passed (6-0 Bonner was excused at the time of the vote)

1 <sup>st</sup> Reduction	\$19,800
2 <sup>nd</sup> Reduction	\$33,200
<b>Total Reduction</b>	<b>\$53,000</b>

### **Senior Center**

Chairman Nixon noted an increase in the Albemarle Commission Nutrition program.

The Board discussed the recommended increase.

Commissioner Smith recommended to decrease that line from \$16,785 to \$10,000.

<b>Total Reduction</b>	<b>\$6,800</b>
------------------------	----------------

### **Central Communications -911**

Chief Deputy Andy Bunch noted that a correction is needed for the salary line in this budget. He noted that there should be a decrease in the salary line because a 26 year employee retired and the employee who filled this position is paid at a lesser rate. Mr. Carawan recommended taking out \$13,650 for the salary.

Mr. Bunch recommended taking out \$4,500 for equipment rental.

The Board discussed overtime in the proposed budget. Commissioners discussed their concerns for the increase in the overtime. The director's certifications were discussed.

Later in the meeting, Commissioner Winborne recommended that the Central Communications Overtime line be reduced an additional \$15,000.

1 <sup>st</sup> Reduction	\$18,150
2 <sup>nd</sup> Reduction	\$15,000
<b>Total Reduction</b>	<b>\$33,150</b>

### **Sheriff**

The Board discussed the proposed budget. It was recommended that staff implement a separate line in budgets who pay holiday pay rather than putting it in the overtime line. Mr. Bunch noted a position was included that is not to be funded. He noted the lines that should be adjusted. He recommended that overtime be increased \$30,000. The Board noted one vehicle in the capital line needed to be taken out since it was approved Monday, May 19<sup>th</sup> to be paid in FY 2013-14. The Board discussed the departmental expense line and the purchase of replacement Tasers for outdated equipment. The Board discussed frozen positions. It was discussed that the animal control position was being filled as a part time position. The Board discussed the part-time salary budget request.

Chairman Nixon discussed his concern with the increase in part-time and recommended a \$10,000 reduction in that line. The Board discussed a reduction in the expense to decrease the number of Tasers purchased with a \$7,500 reduction.

Later in the meeting the Board discussed the Animal Control position coming out of the Sheriff Budget. Chairman Nixon recommended taking an additional \$23,000 from the part time salary line.

1 <sup>st</sup> reduction	\$42,500
2 <sup>nd</sup> reduction	\$23,000

**Total Reduction        \$65,500**

**School Resource Officer**

No change.

**Sheriff Special**

No change.

**Sheriff Executions**

No change.

**Jail**

The Board discussed the overtime line. The Board discussed the professional services line for medical. Commissioner Winborne discussed potentially reducing this expense and allowing the Sheriff to come back if that line needed additional monies. Sheriff Goodwin noted the total contract cost is \$58,000. Commissioner Smith recommended taking \$7,000 out of the maintenance and repair line and consider that at the end of the current year under capital projects. The Board recommended taking an additional \$7,000 from departmental supplies which was also to address facility needs and place this in for end of current fiscal year consideration. Chairman Nixon discussed getting additional information from Albemarle District Jail on their proposed cost if Chowan were to merge. The Board discussed a possible expense in housing female inmates for ADJ.

1<sup>st</sup> reduction    \$14,000

The Board recessed for 1 hour for lunch after lunch Chairman Nixon called the meeting back to order.

Later in the meeting the Board discussed \$10,000 being taken out of overtime. The Board also discussed taking an additional \$5,000 from Contracted Services Central Prison and \$5,000 from Contracted Services Juvenile.

The Board discussed taking a total of \$6,000 more out of the Jail budget. It was discussed that the Sheriff could take the additional \$6,000 from the Professional Services – Medical line.

2<sup>nd</sup> reduction    \$26,000

**Total Reduction        \$40,000**

**Emergency Management**

No change.

**Building Inspections**

No change.

**Medical Examiner**

No change.

**Animal Control**

The County Manager is working on a proposal to address Animal Control and will bring this back at a later time.

**Animal Shelter**

Shelter Volunteer and AWARE representative Barbara Yates discussed the Animal Shelter budget. She stated there is a request for \$17,000 for a vehicle that would not be spent unless there is an issue with the vehicle donated by Gates County. She provided the Board with information on an AWARE grant that is a match for the shelter. The three counties would each give \$1,000 and AWARE would match the monies \$3,000. She stated this is for additional spay/neuter services. The Board agreed to allow the manager to discuss this with the neighboring counties and look into funding that request in the current fiscal year.

No change.

**Street Signs**

No change.

**Soil Conservation**

No change.

**Forestry**

No change.

**Planning**

No change.

**Cooperative Extension**

No change.

**EFNEP**

No change.

**4-H**

No change.

**Health**

No change.

**Mental Health**

The Board discussed the per capital appropriation and requested that the manager look into whether or not there is a legal requirement for this funding.

**Juvenile Justice**

No change.

**Income Maintenance**

No change.

**TANF**

No change.

**Veterans**

No change.

**Schools**

No change.

**Afterschool +**

No change.

**Recreation Projects**

No change.

**Central Services**

Discussed employee health insurance and property insurance. More information will be brought to the Board the quotes for property insurance are provided.

**Library**

Librarian Jennifer Finlay discussed the budget request. She stated that the additional funds would assist the library with Saturday openings. She noted that the Library has been awarded but has not received a grant which would also assist with coverage to allow more hours for keeping the library open. She stated this would also assist in getting more hours for the housekeeping staff who currently only work 10 hours per week.

Commissioner Smith recommended reducing the request by \$2,725.

**Total Reduction      \$2,725**

**Recreation**

Recreation Director Jason Peterson provided the board with information on a capital request for a tractor for the Recreation Department. The Board also discussed that the salary from the full-time Assistant Director salary will reduce as this employee plans to retire. Mr. Petersen stated that he proposes to take this position and increase hours for a part time employee to assist with needs within the Recreation department. He noted the features of the tractor would allow it to be shared among departments.

The Board discussed removal of the capital request for the tractor and will consider it at the end of FY 2013-14.

**Total Reduction      \$18,375**

### **Special Appropriations**

#### **Edenton Chowan Partnership**

Commissioner Winborne stated his concern that ECP has not supported a proposed Walmart looking at Chowan County as a potential location. He stated he would encourage the ECP to support this project or he would recommend a reduction in funding for ECP.

#### **Albemarle Hopeline**

The Board discussed this requested and recommended it be appropriated in the DSS budget. Commissioner Bonner requested that he be excused from the meeting. Commissioner Smith moved that Mr. Bonner be excused. Chairman Nixon asked for all in favor, the motion passed (7-0).

**Total Reduction      \$2,000 (Hopeline Appropriation to be paid from DSS budget)**

### **Transfers Out of General Fund**

#### **Transfer to Social Services Fund**

The Board discussed the increase of \$53,718 in the transfer. They spoke with DSS Director Clifton Hardison. Mr. Hardison explained this was a moving number as the information comes to the County from the State. He noted that a recent conference call has indicated that additional revenues may be realized later in the fiscal year from 75/25 revenues. He left the meeting to work on the budget and provide the Board with an update on a revised request from Social Services.

Later in the meeting Mr. Hardison reported that he was able to reduce the transfer to Social Services from the General Fund.

The Board also noted that Hopeline would be funded within the DSS budget in FY 2014-15.

**Total Reduction      \$53,700**

#### **Transfer to EMS Fund**

The Board discussed the appropriation of \$201,663 to the EMS Fund. The Board also reviewed the budget for Fund 60. Mr. Howard noted that the appropriation to the EMS fund has only decreased about \$125,000 from the previous year because the total emergency calls has also reduced. He stated that in 2010 the call average was 340 calls per month and in 2013 it was 270. The Board discussed staffing at EMS. The Board also asked the Manager to look into an EMS tax.

Later in the meeting the Board discussed the capital request in Fund 60 for repairs to the ceilings in the ambulance bay. The Board discussed what expenses for FY 2014-15 were known expenses

including the ½ payment for the purchase of an ambulance as well as the upgrading of computers.

Chairman Nixon recommended a total reduction including the ½ payment for the ambulance to be taken out.

**Total Reduction      \$179,000**

**List of Capital requests to be considered at the end of FY 2013-14**

- Maintenance additional truck
- \$14,000 in for repairs at Jail
- ½ of ambulance payment
- Ceiling repair in Ambulance bay at EMS
- Recreation Department multipurpose tractor

Chairman Nixon noted that this budget is still a working document. He requested that the Clerk provide the Manager and Finance Officer with the details of the proposed cuts as they were both excused from the meeting late in the afternoon. He stated that the Board would further discuss the budget at the June 2<sup>nd</sup> meeting.

Being no further business, Commissioner Mitchener moved that the meeting be adjourned.

Chairman Nixon asked for all in favor, the motion passed unanimously (6-0 Bonner was excused from meeting at the time of the vote).

---

D. Keith Nixon, Chairman

---

Susanne Stallings, Clerk