

Regular Meeting
Tuesday May 21, 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, May 21, 2013 at 8:00 am at the Chowan County Public Safety Center. Present: Chairman Keith Nixon, Commissioners Jeff Smith, Greg Bonner, Emmett Winborne, Alex Kehayes, Ellis Lawrence 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.

Public Comment

Chairman Nixon called for public comment, there was none.

Finance Committee

Budget Amendments

BA1213-072

	Line Item	Debit	Credit
11-3100-170-00	Tax Penalty & Interest		\$ 1,500.00
11-4180-380-00	IT Software / Services		\$ 3,351.33
11-4190-311-00	Travel		\$ 506.98
11-4190-299-00	Departmental Supplies		\$ 800.00
11-4190-491-00	Dues & Subscriptions		\$ 20.00
11-4210-192-00	Professional Services	\$ 6,178.31	

The Register of Deeds and Land Records telephone system in the Courthouse has failed. These are the additional funds needed to add them to our PSC CISCO VoIP Telephone System.

BA1213-073

	Line Item	Debit	Credit
11-3616-535-00	Donations – Building Imp		\$ 1,377.00
11-4268-351-00	Building Maint & Repair	\$ 1,377.00	

Appropriating additional revenues received that were not previously budgeted.

Mr. Carawan reviewed the budget amendments with the Board.

Mr. Lamb explained that the budget amendment for the lawn mowers includes monies not located within the recreation budget.

Chairman Nixon asked if the monies in the budget amendment will take care of the repairs to the Courthouse.

Mr. Lamb stated that this budget amendment and the monies budgeted for the next fiscal year will address the Courthouse.

Chairman Nixon stated he would like to see repairs made to the building before landscaping is addressed.

Boys and Girls Club Request

Boys and Girls Club Director Stephanie McLean, 131 Morristown Road thanked the Board for the support of the Boys and Girls Club. She provided information on the successes of the Boys and Girls Club. She stated that the Boys and Girls Club has an outstanding loan owed to the County in the amount of \$23,000. She stated this was additional monies owed from the purchase of the Albemarle Learning Center Building from the County in 2008. She noted that the deed of trust indicates that the monies are due November 9, 2014. She stated she was requesting that the County forgive \$3,000 of the loan and allow the Boys and Girls Club to make five annual payments in the amount of \$4,000 beginning in 2014 for a total repayment of \$20,000.

Mr. Lamb stated that if this request is approved by the Board of Commissioners, it would require that the note be modified and he would check to see if another deed of trust is required.

Commissioner Smith asked what would be different with the financial situation of the Boys and Girls Club next year since no payments have been made in the past 5 years.

Ms. McLean stated that the accounting of the Club has been changed and the Club is able to track and manage its resources and forecast revenues better. She stated the funding streams have changed for the Club also.

Mr. Bill Whichard 201 East King Street Edenton, stated he was present on behalf of the Club. He stated the nonprofit has had difficulty in the present economy raising funds. He stated the Board is actively searching for monies and looking at different funding sources.

Ms. McLean noted the new funding sources such as Good Will and other funding that was not previously available to the Club.

Mr. Lamb asked if the Boys and Girls Club would have an attorney draft the new promissory note and deed of trust if the Board approves their request.

Mr. Whichard stated yes.

Commissioner Kehayes asked about the status of Golden Leaf funding for the Club.

Ms. McLean stated that that money is on the June Golden Leaf Board agenda and will be used for a project called "Making the Grade".

Commissioner Winborne stated that he was on the Board of Commissioners when the negotiations took place regarding the sale of the building. He stated that he felt the County had been a good partner by allowing the loan to go for five years with no payments from the Club. He stated he was concerned that the minutes reflect an agreement to pay the loan within five years and now one year before the loan is to be paid off, the club is requesting an extension. He stated he was concerned that no contact had been made in the past five years regarding the loan.

Mr. Whichard stated that the request is being made 18 months in advance and that he disagreed with the sentiment of Commissioner Winborne. He stated that the Club should ask the Board to forgive the entire debt.

Commissioner Winborne asked for clarification on funding of non profits and the policy of the Board.

Chairman Nixon clarified that after the financial crisis of 2008 the Board cut all funding to nonprofits. He stated that currently the only non-profit funded by the County is the Edenton-Chowan Partnership which is the County's lead agency for Economic Development.

Commissioner Bonner stated his support of the work of the Boys and Girls Club. He stated that the County benefits greatly by having the Club and requested that the Board consider their request. He stated he felt the Board should work with them.

Commissioner Mitchener asked for information on the services provided by the Club.

Ms. McLean described daily activities which include recreational educational, social and physical benefits to the participants.

Commissioner Kehayes noted that the Schools should partner with the Club on this debt.

Mr. Lamb commented in his opinion the courts would uphold the contribution under the public purpose doctrine and the County could fund an organization that provides services like the Boys and Girls Club provides.

Chairman Nixon asked that the request be placed on the next Board meeting agenda for consideration. He noted the history on the sale of the property to the Club and that the purchase was done through a grant which left the \$23,000 owed and not covered by grant monies. He stated he would not agree with forgiving the \$3,000 as requested. He asked that the Club provide the Board with copies of their audits for the past five years.

Commissioner Winborne asked if the Club has considered borrowing the money from a lending institution.

Ms. McLean stated she had not but chose to come to the County first.

The Board discussed the land that sold with the property and the future plans to expand recreational services on the property.

Fireworks Display Permission

Edenton Fire Chief Craig Forlines presented the Board with a request for fireworks display for the July 4, 2013 festivities. He noted the request from Atlanta Pyrotechnics International has met initial requirements and would require more review by him prior to the event.

Chairman Nixon noted this review and permission is required by law since the accident at Ocracoke several years before.

Commissioner Mitchener asked if the Chief has permission to cancel the event if there are any concerns.

Chief Forlines stated yes.

Chairman Nixon asked if all insurance and liability information is up to date.

Chief Forlines stated yes.

Commissioner Mitchener moved to approve the request as presented. Chairman Nixon asked for all in favor, the motion passed (7-0).

Fiscal Monitoring Report

Chairman Nixon noted the Board has received a fiscal monitoring report from East Carolina Behavioral Health. He stated that he had some questions about the report regarding the service fees and each County's payment and the reported unrestricted fund balance. He stated his questions were also regarding what each County is getting for services. He noted the Board was told that if they paid per capita, then they would receive additional services.

Commissioner Kehayes stated he would speak with East Carolina Behavioral Health to get the answers to the questions and report them back at the next meeting. He stated he would follow up with the Board Clerk to let her know if a representative from East Carolina Behavioral Health would be at the next meeting.

School Lottery Capital Project Requests

Mr. Lamb noted the projects are part of the FY 2013-14 capital requests from the school. He stated the schools were requesting that the projects be approved in order to get them started when school lets out on June 10, 2013.

Chairman Nixon asked about the bidding requirements for the school.

Mr. Lamb stated that the law for the schools is the same for the county if less than \$30,000 they are not required to bid the project.

Mr. Carawan noted that projects using federal or state monies often have more requirements.

Mr. Lamb noted the three projects being requested.

- Renovation of School Entranceways at John A. Holmes High School
- Renovation of Student Restrooms at Chowan Middle School
- Renovation of Student Classroom at Chowan Middle School

Chairman Nixon stated that he has viewed the areas that are recommended for capital improvements. He stated that he has cosmetic concerns. He stated he was also concerned that issues with the bathrooms and air conditioning in the gym are not being addressed in the capital requests.

Commissioner Mitchener recommended that a representative from the school come to the next meeting to address the priority list for capital improvements.

Commissioner Bonner stated that he did not want to question the School Board's decisions.

Commissioner Smith asked what the balance was in lottery funds.

It was reported later in the meeting the balance of the lottery funds was \$90,000.

Insurance Renewals

Mr. Lamb provided the Board with a quote for insurance renewals for the County's Workers Compensation, Liability and Property insurance with the North Carolina Association of County Commissioners Risk Management Pool. He stated the County will receive a discount of \$5,141. He stated the County received another bid for \$139,000 but it did not include a discount. He stated he would recommend approval of the proposal from the Association of County Commissioners. He noted the costs for workers compensation has been allocated to individual department budgets.

Commissioner Winborne thanked Mr. Lamb for bringing the proposal to the Board for review.

The Board discussed the vehicle list. A copy of the vehicle list was provided to the Board.

Commissioner Winborne moved to approve the renewal with verification of all the vehicles listed.

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

FY 2013-14 Budget Presentation

Mr. Lamb thanked Finance Officer Assistant Kim Smith for her work on the budget and her willingness to help out during the absence of a Finance Officer.

Mr. Lamb presented the Board with the Budget Message.

FY 2013-2014 Budget Message

This FY 2013-2014 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 \$16,158,266 compared to the original FY 2012-2013 budget of \$15,996,380. See attachment 1.

The FY 2013-2014 budget, as proposed, is based on a \$0.685 tax rate, the same as FY 2012-2013. This represents the fourth consecutive year that the tax rate has not increased. This budget also 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 21, 2013, the date of the formal budget presentation, and not later than July 1, 2013, the Chowan County Board of Commissioners must adopt a budget ordinance making appropriations, estimating revenues and levying taxes for FY 2013-2014.

Revenue Overview

Property Tax Collections – According to FY 2011-2012 Chowan County audit, the overall tax collection rate in Chowan County was 96.75% in FY 2011-2012. FY 2013-2014's estimated property tax revenues is calculated based upon the audited tax collection rate for FY 2011-2012. According to the FY 2011-2012 audit, the collection rate for real and personal property was 97.62%, and the collection rate for motor vehicles was 85.10% for the combined collection rate of 96.75%. For purposes of estimating next year's property tax revenues, this proposed budget assumes a collection rate of 97.62% for real and personal property and 85.10% for motor vehicles.

According to the FY 2011-2012 Audit the 10 year statutorily enforceable delinquent uncollected taxes owed to Chowan County decreased from \$754,086 as of June 30, 2011 to \$678,868 as of June 30, 2012.

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 2013-2014 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 2013 tax year valuation estimate provided by the Tax Administrator provides for a total valuation for FY 2013-2014 of \$1,509,159,778. At 100% collection, each penny of a tax rate assessed will produce \$150,915.98.

The total taxable valuation for real and personal property, and public utilities within Chowan County is estimated at \$1,398,937,379. At 100% collection, each penny of the property tax rate assessed will produce \$139,893.74. When multiplied by a collection rate of 97.62%, each penny of the tax rate should generate \$136,564.26. With the proposed tax rate of \$0.685 per \$100.00 valuation, the 2013-2014 current year anticipated revenues for real and personal properties and utilities are estimated at \$9,354,652.

The total valuation for motor vehicles within Chowan County is estimated at \$110,222,399. At 100% collection, each penny of the tax rate assessed will produce \$11,022.24. When multiplied by a collection rate of 85.10%, each penny of the tax rate assessed should generate \$9,379.93. With the proposed tax rate of \$0.685 per \$100 valuation, the anticipated revenues for motor vehicles are estimated at \$642,525.

Therefore, the FY 2013-2014 budget anticipates the collection of \$9,997,176 in ad valorem tax revenues from real and personal property, public utilities, and motor vehicles. This amount represents 61.87% of General Fund revenue.

The FY 2013-2014 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 \$10,413,177. This amount represents 64.44% of General Fund Revenues.

3. Sales Tax - Chowan County anticipates collecting \$925,000 in FY 2013-2014 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 \$1,650,000. This amount represents 10.21% of General Fund Revenues.

In addition, the County will directly deposit an estimated \$657,280 into the School Capital Reserve to meet the Article 40 and Article 42 school capital obligations.

4. Fire District- The FY 2013-2014 Fire District Special Revenue Fund anticipates \$538,017 in property tax, sales tax and other revenue for the benefit of fire departments in Chowan County.

5. E911/Central Communications – The FY 2013-2014 E911 Special Revenue Fund anticipates \$207,722 in 911 surcharge receipts.

6. Emergency Medical Service Revenues- The FY 2013-2014 revenues for the EMS Enterprise Fund are estimated at \$1,060,000 in fees for services and \$338,077 appropriated from the General Fund.

7. Water Sales and Services – The FY 2013-2014 combined revenues for water sales for the Chowan County Water District is budgeted at \$1,163,170 and tap fees, connection fees, reconnection fees and penalties increase the total to \$1,400,645. The FY 2013-2014 budget anticipates no increase in water rates.

8. Solid Waste Revenues – The proposed FY 2013-2014 combined revenues for the Solid Waste Enterprise Fund is estimated to be \$1,174,240.

9. Town of Edenton – The FY 2013-2014 budget anticipates \$289,975 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 2013-2014 budget anticipates revenues from real estate registration (recording fees), vital statistics and marriage licenses in the amount of \$150,450. This amount includes \$60,000 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 2013-2014 are anticipated to generate \$75,000 including \$70,000 in building permit fees.

12. Fines & Forfeitures- The FY 2013-2014 budget anticipates \$45,000 in the receipt of fines and forfeitures which are remitted to the Edenton-Chowan Board of Education.

13. Court Fees – The FY 2013-2014 budget further anticipates \$49,000 in court costs and court facility fees with must be used to maintain the county courthouse.

14. Jail – The FY 2013-2014 budget anticipates \$24,000 in jail fees.

15. Recreation – The FY 2013-2014 budget anticipates revenues of \$89,419 from registration fees, concessions, special events and the JCPC after-school program grant.

16. Senior Center/Nutrition – The FY 2013-2014 budget anticipates revenues of \$55,800 from registration fees, other fees and from the Albemarle Commission for the Nutrition Program.

17. ABC- The FY 2013-2014 budget anticipates \$30,000 from the ABC bottle tax and from profit distribution from the ABC Store.

18. Department of Social Services – The FY 2013-2014 budget anticipates \$2,312,751 from state revenues for administration and program costs.

19. Fund Balance Appropriated – The FY 2013-2014 budget does not appropriate any funds from the general fund balance. The budget does appropriate \$10,000 from the Sheriff Special Reserve Fund and \$5,000 from the Recreation Donation Reserve Fund.

20. Other County Revenues – Please refer to attachment 1 for other anticipated County revenues for FY 2013-2014.

Expenditures Overview

1. Public Education – The total school current expense appropriation provided for in the FY 2013-2014 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 2013-2014, the Board of Commissioners have appropriated \$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 2013-2014 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 2013-2014 budget further provides for the debt payment for the DF Walker Elementary School. This payment of \$571,743 in principal and \$73,640.70 in interest for a total of \$645,383.70 is due in FY 2013-2014. 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 \$208,953 as of June 30, 2012.

2. Community Colleges - The FY 2013-2014 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 2013-2014 budget appropriates \$403,227 for tax office operations. The Tax Office budget also includes \$61,319 for new tax software.

The FY 2013-2014 budget appropriates \$50,000 from the general fund to the Revaluation Reserve. The Revaluation Reserve anticipates spending \$230,200 for the 2014 revaluation, during FY 2013-2014, with a final payment of approximately \$25,000 in July 2014.

4. Sheriff's Office – The FY 2013-2014 budget provides a total of \$1,270,755 for the Chowan County Sheriff's Office. The budget includes funds for two new vehicles at a cost of \$50,000.

5. 911 Communications – The FY 2013-2014 provides \$467,278 for the operation of the 911 emergency communications system.

6. Emergency Medical Service - The FY 2013-2014 budget appropriates \$338,077 from the general fund to the EMS Enterprise Fund to cover a revenue shortfall in that amount. This amount includes \$90,000 for the purchase of a new ambulance.

7. Jail – The FY 2013-2014 budget appropriates \$738,970 for the operation of the Chowan County Detention Center.

Additionally this budget appropriates \$46,000 for utilities and maintenance of the Jail.

8. Social Services– The FY 2013-2014 budget provides for \$999,922 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 2013-2014 budget appropriates \$444,335 for the Recreation Department Operating Budget.

Additionally this budget appropriates \$28,200 for utilities and maintenance of the Northern Chowan Community Center and \$17,000 for the utilities and maintenance of the Recreation Department’s gymnasium located on the COA Edenton Campus.

10. Senior Center/Nutrition – The FY 2013-2014 budget provides \$178,018 to fund the Senior Center and Nutrition Program for Chowan County senior citizens.

Additionally this budget appropriates \$26,000 for utilities and maintenance of the Swain School Building.

11. Register of Deeds– The proposed FY 2013-2014 budget provides \$206,833 for the operation of the Register of Deeds Office.

12. Land Records – The FY 2013-2014 budget provides \$70,907 to the Land Records/GIS Department located in the Register of Deeds Office

13. Animal Shelter – The FY 2013-2014 budget appropriates \$224,230 for Tri County Animal Shelter operations. It is estimated that \$132,335 will be reimbursed to Chowan County, as fiscal agent, from Gates (\$63,384) and Perquimans (\$68,951) Counties.

This budget includes one time capital costs of approximately \$40,000.

14. Elections – The FY 2013-2014 budget provides for funding in the amount of \$109,779 for the general operation of the Elections Office and for the November 2013 Town of Edenton election and the May 2014 primary election.

15. Public Health – The FY 2013-2014 budget provides an appropriation in the amount of \$89,775 payable to Albemarle Regional Health Services.

16. Mental Health - The FY 2013-2014 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 2013-2014 budget appropriates \$199,618 for County IT expenditures.

18. Maintenance - The FY 2013-2014 budget provides a total of \$612,622 for maintenance and utilities of county buildings \$126,000 for the Chowan County Public Safety Center and \$50,500 for the Courthouse. The FY 2013-2014 budget provides \$278,922 for the Maintenance Department operations.

19. Inspections and Planning - The FY 2013-2014 budget appropriates \$189,280 for the Inspections Department and \$30,500 for contracted services for the Planning Department.

20. Soil Conservation - The FY 2013-2014 budget appropriates \$95,572 for the Soil and Water Conservation Program.

21. Forestry - The FY 2013-2014 budget provides an appropriation in the amount of \$61,944 to the Forestry program.

22. Cooperative Extension - The FY 2013-2014 budget appropriates \$159,117 to Cooperative Extension Service.

Additionally this budget provides \$33,100 for utilities and maintenance of the Agriculture Building.

23. Employee Adjustments – The proposed FY 2013-2014 budget provides for an average increase of 1% for county employees. This money is appropriated to Salary Reserve in each fund and will be eventually distributed to each department and Fund in the salary, FICA and retirement line items.

24. Employee Health and Dental Insurance – The County will provide health, dental, life and vision insurance through United Health Care. Chowan County has previously provided insurance through the Northeast Albemarle Group Health Plan, a regional joint insurance plan that includes Chowan, Perquimans, Pasquotank and Albemarle Regional Health Services along with various smaller government organizations. In the last 30 months the cost of this coverage went up 25%, co-pays have decreased from 80% to 70%, deductibles have increased from \$0 to \$500.00 and we experienced another 9.8% increase effective July 1, 2012.

In June 2012, Chowan County gave notice of withdrawal from the Northeast Albemarle Group Health Plan. As a result the County has been able to negotiate a rate decrease from \$598 per employee per month to \$444 per employee per month while adding an employer paid vision benefit, and increasing co-pays from 70% to 80%. The total savings for the cost of County employee and retiree's health insurance is in excess of \$200,000 per year. Again, the County will pay the full cost of all of the employees' health, dental, life and vision insurance.

25. Shepard Pruden Memorial Library - The FY 2013-2014 budget provides \$160,000 for operating expenses and an additional \$10,000 loan payment to the Library Board of Trustees. This represents a \$10,000 increase over the current year.

26. Fire – The FY 2013-2014 budget provides \$187,005 for operations and equipment as well as \$49,012 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 to the Belvidere Chappell-Hill Fire Department as requested.

27. Debt Service - The FY 2013-14 budget provides \$1,950,972 in principal and \$401,512 in interest toward the County's debt obligation, a total of \$2,352,484 for debt service. During FY 2012-2013 Chowan County restructured its debt portfolio to reduce interest rates from as high as 4.5% to 1.84% for eight (8) year loans, 1.96% for nine (9) year loans and 2.2% for eleven (11) year loans. Previously over half of Chowan County's outstanding debt was scheduled to be paid off in 2048, however with the restructuring the County will be debt free as of February 1, 2024 or 24 years earlier than the original loans were due to be paid. While Chowan County will pay more towards debt service during the next 10 years, the County will realize a savings of \$10,329,711 over the life of the original loans. See Attachment 3.

28. Other County Expenditures – Please refer to attachment 1 for other budgeted expenditures for FY 2013-2014.

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.

Sincerely,

Zee B. Lamb
Chowan County Manager

Commissioner Smiths stated he would like for the Town of Edenton to true-up to make sure the County is not building the Town fund balance with fire monies.

Mr. Lamb stated his verbal conversations with the Town Manager had indicated that the fire contribution would be trued up like IT and Inspections or in the alternative unspent funds be put in a Fire Capital Fund, not rolled into the Town's General Fund as is the current practice.

Commissioner Winborne stated that he would like to discuss a tax reduction again. He stated that this reduction he felt would help businesses. He stated that he knew next year would be more difficult with the revaluation. He stated he would like for the manager to find the money within the proposed budget.

Chairman Nixon stated that it may be best to discuss the matter at the public hearing since it was voted on previously by the Board.

Commissioner Mitchener stated his concerns with the reduction and the unknown elements for future budgeting.

Commissioner Smith stated he would support holding the monies in a reserve to provide relief for the taxpayers next year when the revaluation requires an increase.

Commissioner Kehayes stated he would have liked to discuss this matter earlier in the budget planning to make the best decision.

Commissioner Bonner stated his position is still the same and felt the impact on the tax payers would be greater next fiscal year.

Chairman Nixon asked about the Obama care requirements for part-time employees.

Mr. Lamb stated that Department Heads will be made aware of the rule to keep hours 29 or below.

Timely and Important Matters

300th Celebration

Chairman Nixon thanked staff for their work to assist the Town with the 300th celebration.

Schedule a Public Hearing

Commissioner Smith moved to schedule the public hearing on the FY 2013-2014 budget for the June 3, 2013 meeting. Chairman Nixon asked for all in favor, the motion passed (7-0).

Adjourn

Being no further business the meeting was adjourned.

D. Keith Nixon, Chairman

Susanne Stallings, Clerk