

Special Meeting  
Monday, May 14, 2012  
6:00pm  
Chowan County Public Safety Center  
305 West Freemason St, Edenton, NC

MINUTES

The Chowan County Board of Commissioners held a special budget workshop meeting on Monday, May 14, 2012. Present: Chairman Eddy Goodwin, Commissioners Keith Nixon, Jeff Smith, Emmett Winborne, John Mitchener and Ellis Lawrence.

Staff present: County Manager Zee Lamb, Finance Officer Kim Woodley and Board Clerk Susanne Stallings

Commissioner Ralph Cole was absent.

Chairman Goodwin called the meeting to order. He stated the purpose of the meeting was to review of proposed FY 2012-13 budget. He then asked that each of the board members state their questions or concerns regarding the proposed budget.

Commissioner Mitchener stated his concern was the increased cost of health insurance for employees.

Commissioner Lawrence stated he felt there is a need for cost of living adjustment (COLA). He stated that there have been no increases in employee salaries for the past 4 years.

Chairman Goodwin then asked that Mr. Lamb review the budget summary with the Board.

Mr. Lamb stated that currently the proposed budget includes an \$87,881 deficit. He stated that the proposed budget includes current expense for COA, but the \$200,000 for COA capital has not been included which would create a \$287,881 deficit. He stated that if a COLA is given each percentage increase is about \$48,000 total which includes FICA, retirement etc. He stated that the proposed budget includes DSS reimbursement.

Mr. Lamb then reviewed the following budget categories:

**Ad Valorem Taxes**

Mr. Lamb stated that in the current fiscal year is budgeted at \$9,888,592 is budgeted for Ad Valorem and Motor Vehicles taxed combined. He stated the figure is the same as the last three years, and has not been reached in those and will not be reached this year. Therefore the proposed budget for next fiscal year is estimated at \$9,764,200 based upon the current tax rate and collection percentage.

Chairman Goodwin asked if this figure take into account new position and additional collections in the tax office.

Mr. Lamb stated this is based on previous year's collections.

### **Sales Tax**

Mr. Lamb stated the budgeted amount is \$931,000 is based on 8 months of collection he then reviewed each article and how it is distributed.

Commissioner Smith asked if Article 39 is based on the previous year's numbers.

Mr. Lamb stated this amount was collected over the previous year by 5%, calculating growth and the trend.

Chairman Goodwin stated that the state may decrease sales tax collected, in the past the Board has been conservative and budgeted for 25%-30% decrease.

Mr. Lamb agreed that the County should be cautious with state revenues.

### **Other Taxes/Permits and Fees**

Mr. Lamb stated that the finance office will need to investigate sales tax refunds; he stated that the forms may not have been filed.

Ms. Woodley stated that the County can only record revenue for construction, and the County will realize some revenue this fiscal year.

### **Other Revenues**

Mr. Lamb then reviewed other revenue sources.

#### **Soil/Water**

Commissioner Smith recommended that staff look into the Soil/Water revenues estimate, since the monies last year may have been a one time grant.

#### **Building Permit**

Mr. Lamb noted a budgeted increase in building permit fees.

#### **Misc. Grant Revenue**

Mr. Lamb reviewed the Emergency Management grant and also the COPS Grant which will expire.

#### **Rental Income**

Commissioner Winborne recommended that staff look into monies for tower space rent.

### Mosquito Spraying

Commissioner Mitchener asked about mosquito spraying monies.

Mr. Lamb noted that the State pulled monies to the counties a few years ago and this expense is 100% absorbed by the County.

### Sale of Property

Chairman Goodwin recommended that staff look into the monies owed to county from sale of Albemarle Learning Center.

Mr. Lamb stated he would check into it.

### DSS

Chairman Goodwin asked about the indirect cost plan for DSS renovations.

Ms. Woodley stated that they have included the costs and reimbursements.

Commissioner Nixon discussed indirect cost in feasibility study for new building.

Mr. Lamb stated he plans to set up a fund only for DSS, to track this fund. He then discussed hold harmless monies in the Medicaid swap from the state.

### ABC

Mr. Lamb stated that ABC revenues are budgeted at \$20,000.

Commissioner Nixon stated that he and the Chairman met with the ABC Board. He stated that the auditor feels county may get more revenues this fiscal year and that the ABC Board will get more aggressive with revenues. He noted the building will be paid off in 2014 and county will also see additional revenues from the ABC Board.

### Town of Edenton (PSC rental/Planning etc.)

Mr. Lamb discussed meeting with the Town Manager to discuss a joint Planning Department 35%/65%. He stated that the Town Manager seems favorable but this will be decided by the Town Council. Mr. Lamb stated he will review the contract with Holland Consulting Planners.

Mr. Lamb stated he needed to look into lease of space for Public Safety Center with Town. He stated that in reviewing the lease there was one addendum that included an increase in rent for space.

Ms. Stallings stated that the Town was notified in 2010 of the change which included a shared cost for mowing, maintenance, housekeeping (etc.) and space that was not included when the original amount of rent was calculated.

### Solid Waste Fund

Mr. Lamb noted a correction to the Solid Waste contribution payback. He stated these monies were budgeted to go into general fund rather than fund balance.

Commissioner Nixon stated that he did not want the monies put towards general fund expenses; he stated that he would prefer that these revenues go towards debt.

### Fund Balance Appropriated

The Board held discussions of appropriating fund balance. Mr. Lamb indicated that it is customary to appropriate Fund Balance and with increased revenue collections (above what is budgeted) and unspent appropriations, the fund balance appropriated is not used.

Commissioner Winborne asked if department heads anticipate turning in monies at the end of the current fiscal year.

Mr. Lamb noted the total revenue projected in the preliminary draft was \$16,287,994.

The Board took a 10 minute recess.

Chairman Goodwin then called the meeting back to order.

### **Expenditures:**

The following changes were noted in expenditures:

Governing Body- Decrease 4.71% (includes a \$1,000 savings on audit expense).

Administration – Mr. Lamb noted that some budgets separate Finance and HR from Administration, the proposed budget will keep these departments together. He stated that Finance will hold off one year on the software request.

Tax- The proposed Tax budget includes the proposed new position added for collections with 20 percent of the position charged to IT. The proposed position would be fulltime. He noted an additional increase that is for software in the Tax Office. He noted that the budget now considered the Tax Administrator as an employee, not a contracted position.

### Cost of Living Adjustment

Mr. Lamb requested that the Board provide staff with direction on COLA or other staff pay increases.

### County Attorney

Commissioner Winborne recommended that the legal budget be reduced to \$25,000.

### Hicks Field

The Board discussed the expense for lights at Hicks Field. Mr. Lamb stated that this will be considered by the TDA Board.

Commissioner Nixon requested that the remaining budgets with an increase of \$5,000 or more be reviewed in detail.

### COA

Dr. Kandi Deitemeyer discussed the COA budget. She did request that custodial work continue to be provided by county.

Commissioner Nixon stated that he would suggest doing a capital fund in the amount of \$200,000.

### Recreation

It was recommended that \$6,000 be removed from utilities in the Recreation Department.

Commissioner Nixon stated that utilities in the Recreation Department may have a savings because no oil purchase.

### Senior Center

Commissioner Nixon asked that staff ensure that the Senior Center salary budget does not include additional hours which have been denied by the Board previously.

### Central Communications

Chairman Goodwin stated that he would like to see more of a balance with the Town of Edenton and that the Town should share in the expense for Central Communications. He stated that currently 27% of 911 calls are used by the Town. He stated that he would want the Town to pay for Edenton Police Department calls. He added that currently after hours, 911 operators are answering calls for Edenton Electric Department.

### Sheriff Budget

Mr. Lamb stated that this budget includes two vacant positions that he has discussed with the Sheriff.

Chairman Goodwin asked if a step increase (career ladder plan) is included in the proposed budget.

Sheriff Goodwin stated no.

### DSS

Mr. Lamb noted a reduction on the amount of \$55,697.

Commissioner Nixon stated he would like to be provided with information showing the trend of the county appropriation for DSS for 10 years.

#### Veterans Services

Mr. Lamb noted this is increased based on actual costs in the current year.

#### School

This budget includes the same Current Expense for the current fiscal year.

#### Library

Mr. Lamb noted this budget included the two loans for the library, and they have been moved to the debt service fund.

Commissioner Nixon stated he would recommend giving the Library \$160,000 (\$10,000 for loan repayment), give the library \$150,000 to allow the library to spend as they see fit. He stated that Maintenance Director Terry Rose will continue to supply and assist the Library as needed.

#### Recreation

The Board noted that there was an increase in part time expenses.

#### Rentals

Mr. Lamb noted that this may decrease if the lease is terminated for the Public Defender as well as the space that is rented for DSS for file storage.

#### Central Services

No changes recommended

#### Special Appropriations

No changes recommended

#### ECP

No changes recommended

#### Mental Health-

No changes recommended

Chairman Goodwin noted that the budget is a working document; he asked if there was any public comment.

John Sams asked for the budget summary and deficit.

Commissioner Nixon asked that the Board receive the information on the deficit prior to the Monday May 21<sup>st</sup> meeting. He also requested information on how many employees in the general fund are impacted by employee health insurance increase, and additional projections for a COLA.

Mr. Lamb stated the proposed health plan will allow employees to purchase a better plan for 80% coverage. He stated he would recommend giving 12 months notice to the health plan group and then begin shopping around to see if the County can get better rates.

The Board concurred to allow the manager to give notice, to the Health Group.

Commissioner Nixon stated he would recommend that the County adopt a policy for new hires to pay a portion of their health insurance premiums.

Commissioner Smith asked if employee evaluations are being done. He stated that he supports merit raises based on performance over raises based on longevity.

Mr. Lamb stated the he felt that too much time has passed since any salary increases have been given. He stated that at this point, he feels a cost of living adjustment would be most fair to the employees.

Being no further business before the Board, the meeting was adjourned.

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Edward C. Goodwin  
Chairman

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L. Susanne Stallings  
Clerk