

Regular Meeting
Monday, November 3, 2014
Chowan County Public Safety Center
305 West Freemason Street
6:30pm

Minutes

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

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. He then offered the invocation.

Approval of Agenda

Chairman Nixon then asked to add an item to the agenda, a budget amendment. Commissioner Smith moved to approve the agenda as amended. Chairman Nixon asked for all in favor, the motion passed unanimously (7-0).

Public Comment

Chairman Nixon opened the floor to public comment in accordance with NCGS 153A-52.1.

There was none.

Introduction

County Manager Kevin Howard introduced two department heads who were recently hired Animal Control Officer Louann Fisher and Water Department Supervisor Mickey Watson.

Consent Agenda

Chairman Nixon then presented the consent agenda.

a. Minutes

Attached are the minutes of the October 20, 2014 meeting for the Board's review and consideration. Also attached are the October 6, 2014 Fire Station Study Committee.

Ms. Stallings noted a correction to the October 20, 2014 minutes.

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

b. Budget Amendments

BA1415-006

Account Code	Description	Old	+ or (-)	New	
Reducing Capital by Sheriff's Cars:					
33-3980-980-11	Transfer from General Fund	(100,000.00)	52,084.00	(47,916.00)	
33-9930-995-00	Designated for Future Appropriation	100,000.00	(52,084.00)	47,916.00	
11-4310-550-00	Capital Outlay - Vehicles	(575,247.64)	52,084.00	(523,163.64)	
11-9800-980-33	Transfer to Capital Outlay	100,000.00	(52,084.00)	47,916.00	
Breakdown of Individual Projects:					
33-3990-990-00	Fund Balance Appropriation	-	(44,492.00)	(44,492.00)	
33-9930-995-00	Designated for Future Appropriation	72,084.00	(72,084.00)	-	
33-4192-015-01	Courthouse	-	8,032.00	8,032.00	
33-4192-015-03	Jail	-	9,044.00	9,044.00	
33-4192-015-06	Shepard Building	-	50,000.00	50,000.00	
33-4192-015-07	Swain Auditorium	-	41,000.00	41,000.00	
33-4192-015-13	Mower - Recreation	-	8,500.00	8,500.00	
		Balanced:	(403,163.64)	-	(403,163.64)
Justification:					
<i>Breaking out individual projects to be utilized with the transfer from the General Fund and Capital Fund Balance Appropriation</i>					

BA1415-008

Account Code	Description	Old	+ or (-)	New	
Social Services:					
12-3531-230-01	Social Services Admin	(1,430,928.00)	(4,382.00)	(1,435,310.00)	
12-5380-539-30	Family Reunification	-	4,382.00	4,382.00	
		Balanced:	(1,430,928.00)	-	(1,430,928.00)
Justification:					
<i>Budgeting funds for a new DSS program, Family Reunification</i>					

Mr. Carawan provided the Board with information on the budget amendments.

Chairman Nixon asked if the Family Reunification was a new program of DSS.

Mr. Carawan noted that the programs are pass through monies, using no County funds.

Commissioner Mitchener moved to approve the budget amendments. Chairman Nixon asked for all in favor, the motion passed unanimously (7-0).

c. Surplus Property

The Board will consider a request from the IT Department to declare items as surplus to be listed for sale on public auction, via Gov Deals.

Commissioner Smith moved to approve the surplus list as presented. Chairman Nixon asked for all in favor, the motion passed unanimously (7-0).

Tax Appeal/ Settlement

Tax Administrator Hosea Wilson stated that in 2011 a business audit of Food Lion determined an excess of \$642,000 in discovery. He stated that Food Lion appealed that decision in 2012. He stated that Food Lion did not appear before the Board of Commissioners in 2012 but rather appealed to the Property Tax Commission. He stated that they appealed discoveries for 7 counties in North Carolina. He stated Food Lion has presented the County with a settlement offer. He noted Food Lion is offering 15% of the discovery amount which is \$1,197.30. He stated that if Food Lion paid at 100% that amount would be \$7,982.01. He noted that the appeals for the following Counties Robeson (\$11,687,646), Forsyth (\$3,553,522), Edgecombe (\$11,100,379), Carteret (\$23,295,054), Cumberland (\$18,009,820) and Harnett (\$46,728,250). He stated that after speaking with the other Counties involved in the Property Tax Commission appeal, only 3 are not accepting the 15% offer. He stated that he would question the cost benefit of appealing the offer stating it would cost the County more to appeal the settlement than it would receive in revenue. He stated on the other hand, accepting the settlement offer would set a dangerous precedent. He stated that the Department of Revenue has indicated acceptance of the settlement does not set precedence.

Commissioner Smith asked what is different about the method used to determine the discovery.

Mr. Wilson stated that Counties use different methods and each county will stand alone before the Property Tax Commission with its schedule of values.

Commissioner Kehayes asked for clarification on the years from 2012 to 2014.

Mr. Wilson stated that if the county accepts the listing as noted in the offer from Food Lion would require the County to accept their matrix of what is real and what is personal property. He noted that if the Commission ruled in favor of the County, it most likely would not allow 100% of the discovery.

Commissioner Winborne stated that this was a matter of principle and what is right and wrong.

Chairman Nixon noted that in 2012 the County did adjust some of the values for other appeals, he asked if Food Lion had provided evidence.

Mr. Wilson stated that Food Lion has not responded to the County's request for additional information.

Chairman Nixon asked how this will impact the Town of Edenton since the County collects its taxes.

Mr. Wilson stated the County would have to determine what percentage of the tax is Town to determine how to distribute it to the Town. He stated that the Town Manager has indicated she would like to know what the decision of the County is.

Chairman Nixon asked if the County could obtain legal counsel that specializes in this type of tax matter.

Mr. Wilson stated that there are attorneys in the state who specialize in Tax law.

Chairman Nixon asked if Mr. Wilson felt that Food Lion would fight the County over \$6,000-\$8,000.

Mr. Wilson stated yes.

Commissioner Lawrence asked for clarification on the proposed matrix from Food Lion.

Mr. Wilson stated he had not seen the matrix.

Commissioner Smith noted this would require over 30 hours and travel expenses for the County Attorney to appeal.

Commissioner Kehayes asked what the total tax bill is that Food Lion pays.

Mr. Wilson stated he did not have that information with him, but felt that it was much greater than the \$7,000 penalty.

Commissioner Bonner suggested that the County counter the offer.

Mr. Wilson stated he felt a counter offer is reasonable and will also allow the County to discover the years after 2011.

Mr. Howard asked if Mr. Wilson needed a decision that same night.

Mr. Wilson stated that he did not have a sense of urgency on the matter, but added he felt the proposed settlement from Food Lion was not fair.

Commissioner Bonner moved to deny the settlement offer from Food Lion and counter their settlement offer with a 50% settlement.

Chairman Nixon asked for all in favor, the motion passed (6-1 Nixon).

EMS Fiscal Review

Dave Pickering with Colleton provided the Board with an Account Analysis as of November 1, 2014. He stated that since the last update, call volume has increased slightly. He stated that total call volume has dropped over the past 4 years. He stated that based on call volume, Chowan County has seen a decrease of 22% over the past 4 years. He stated that the few calls equate to lower revenues. He stated that year to date revenues for the County are \$827,398 and the year projection is \$1,017,222. He stated that one reason for the decrease in revenue is the decrease in non-emergent dialysis transports. He stated a total loss in revenue from 2013 to 2014 is around \$94,760. He stated the Advance Life Support (ALS or Paramedic) revenues have allowed the county to realize an additional \$274,000 in revenue.

Chairman Nixon asked what calls are not billable.

Mr. Pickering stated that a doctor's office check-ups are an example of non-billable.

EMS Director Colin Ryan stated that some calls to the nursing home that do not require transport are not billable.

Chairman Nixon asked what Colleton's percentage of collections was.

Mr. Pickering stated that 81.74% of every \$1 billed is collected.

Commissioner Winborne asked if the County is short \$50,000 per month in revenue.

Mr. Pickering stated that he serves many counties in North Carolina and the deficit that is being realized in Chowan County is the lowest he has ever seen. He stated that many Counties in the state spend millions of dollars of general fund monies to support the EMS programs. He stated this can be attributed to the County providing the transport service.

The Board discussed the 1-2 month lag in revenues from Medicare and Medicaid.

Mr. Pickering noted that private insurance has up to 90 days to pay.

Chairman Nixon asked what percentage of collected monies the County pays to Colleton.

Mr. Ryan stated it was 6.5% and now it is 6%.

Chairman Nixon asked why there was an increase in expenses for 2014 over the expenses for this same time in 2013.

Mr. Carawan explained this was because a 2013 invoice was paid in the 2014 year.

Chairman Nixon stated that EMS was to be a money maker and he does not see the trend there.

Mr. Pickering stated that they can only bill for the calls answered and the drop in call volume attributes to the decrease in revenue.

Chairman Nixon stated he felt the County should look at the long term costs such as personnel and equipment. He stated that many private transport companies are not required to have the equipment that EMS is required to have.

Mr. Pickering stated that he is not aware of a single county that does not invest multiple millions in their EMS budget. He stated the ambulance franchise allows Chowan County to lessen the burden on the tax payers.

Chairman Nixon stated he is confident in the EMS Director and his work. He stated he felt that the EMS Fund should be monitored closely because of trends.

Mr. Pickering stated that the Paramedic (ALS) program is only 108 days in.

Chairman Nixon thanked Mr. Ryan and Mr. Pickering for the update.

Mr. Ryan stated that he would provide information to the Board regarding private transport company equipment requirements if the Board wanted it.

Chairman Nixon asked that Mr. Pickering amend the report to follow the County's fiscal year rather than a calendar year.

Recreation Property Donation

Mr. Howard stated that the Board will consider a request from the Recreation Department to accept the gift of a boat from Wesley deCamp. He stated the boat would be used for clearing vines and other debris at the camping platforms.

Commissioner Smith asked where the Boat would be stored.

Mr. Howard stated Recreation has indicated they have storage space for the boat.

Commissioner Bonner moved to accept the gift of the boat.

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

Gift of Property

Mr. Howard provided the Board with information regarding an inquiry to gift property to Chowan County, he stated the property is located at 210 Dr. Martin Luther King Jr. Drive. He stated that based on his research the property was residential prior to 1980. He stated the

landowner has requested that the County pay for the appraisal and if a structure was erected on the property a plaque “given by.....” would be placed on the property.

Commissioner Winborne moved to accept the gift of property and attach to the deed the clause to install a plaque stating the donors name if a structure is constructed in the future.

Commissioner Kehayes asked what the Board felt the property would be used for.

Commissioner Winborne stated that its proximity to the Public Safety Center would be useful for future expansion.

Chairman Nixon stated he felt the property would be beneficial for satellite parking. He asked if there were any restrictions on the property.

Mr. Howard stated no.

Commissioner Mitchener asked if there were any known environmental issues.

Mr. Howard stated that he was not aware of any, but the only assessment done on the property was visual, he stated he could not make any guarantees.

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

Appointments

Chairman Nixon stated that the Board will review applications for the following Board vacancies; Chowan County Planning Board and Northeast Workforce Development Board.

Commissioner Smith stated he would like to have more than one application to review. He moved that the appointment be tabled until the next meeting. Chairman Nixon asked for all in favor, the motion passed unanimously (7-0).

External Board/Committee Report

Chairman Nixon stated that the Board members are asked to report on the activities of the external boards to which they have been appointed.

Commissioner Smith reported on the Fire Station Study Committee and reported that a report will be forwarded from the Committee soon.

Commissioner Mitchener reported on the Governor’s visit to Elizabeth City and provided the Board with Governor McCrory’s 25 year vision for North Carolina.

Chairman Nixon reported on the Health Department Board and stated he would be forwarding the health assessment for Chowan County soon.

Manager’s Report

County Manager Kevin Howard stated work on Pembroke Creek will begin in the next two weeks.

Timely and Important Matters

Chairman Nixon reported that the December 2nd meeting would be held at the 1767 Chowan County Courthouse.

BA1314-009

Account Code	Description	Old	+ or (-)	New
Social Services:				
12-3531-230-01	Social Services Admin	(1,435,310.00)	(6,889.00)	(1,442,199.00)
12-5380-539-05	Special Adoptions	311.00	6,889.00	7,200.00
		Balanced:	(1,434,999.00)	-
Justification:				
<i>Budgeting additional Federal funds received for Special Adoptions</i>				

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

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 unanimously (7-0).

The minutes of the closed session are sealed.

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

Personnel Action

Commissioner Winborne moved to increase the County Manager’s salary 2%, retroactive with the increase to begin six months from his hire date (October 1, 2014) based on the 6 month performance evaluation completed by the Board. Chairman Nixon asked for all in favor, the motion passed (7-0).

Tax Appeal

Commissioner Mitchener asked that the action previously taken regarding the discovery appeal from Food Lion be convey to the other counties involved in the appeal.

Adjourn

Being no further business, Commissioner Mitchener moved to adjourn the meeting. Chairman Nixon asked for all in favor, the motion passed unanimously (7-0).

D. Keith Nixon, Chairman

Susanne Stallings, Clerk