

Regular Meeting
Monday, November 7, 2011
6:00 pm
Chowan County Public Safety Center
305 West Freemason Street

MINUTES

The Chowan County Board of Commissioners held a regular meeting on Monday, November 7, 2011 at 6:00 pm in the Chowan County Public Safety Center, 305 West Freemason Street Edenton NC. Present: Chairman Eddy Goodwin, Vice Chairman Keith Nixon, Commissioners Ellis Lawrence, Jeff Smith Emmett Winborne, Ralph Cole and John Mitchener. Staff Present Finance Officer Lisa Jones; Interim County Manager John Ed Whitehurst and Board Clerk Susanne Stallings.

Chairman Eddy Goodwin called the meeting to order and led the pledge of allegiance. He asked all the veterans in the audience to stand and be recognized, he then provided the invocation.

Public Comment

Chairman Goodwin asked for any public comment.

Eugene Rascoe, 732 Virginia Rd. stated his concerns with the Planning Board. He stated he was concerned with the final decision of a Special Use Permit not going to the Board of Commissioners for final decision. He also stated his concern with the lack of diversity on the Planning Board.

Haurice Toppin, 128 Cisco Rd. stated his concern over a leaning telephone pole and poor drainage at his property. He stated he was not sure who was responsible but asked that someone from the county look into the issue.

The County Manager stated he would look into Mr. Toppin's concern.

Consent Agenda

Chairman Eddy Goodwin then presented the Consent Agenda.

a. Approval of Minutes

Attached are the minutes of the October 3, 2011, October 13, 2011, October 17, 2011, October 20, 2011 and October 31, 2011 meetings for Board approval.

b. Tax Release and Collector's Report (attached)

Adessy, I.	\$119.54	Not within city limits
Cale, J.	111.72	SITUS Guilford Co.
Hall, W.	110.12	Vehicle totaled
Hamilton, V.	100.06	Vehicle traded
Jones, C.	145.53	Adjusted value per purchase agreement
Woodell, M.	182.28	SITUS Perquimans Co.

Commissioner Cole moved that the Board approve items a and b. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

c. Recommended Budget Amendments

BA-1112-034

3616	Sr. Center	\$ 5,605	Increase revenue from Chowan Grant Hospital Foundation Grant and participant contributions (no match required)
4268	Sr. Center	\$ 5,605	Increase expenditures for Chronic Disease Self-Management, Diabetes Self-Management and Arthritis Exercise Programs including contracted services, exercise manuals and equipment, office supplies and food supplies

BA-1112-035

3531	DSS	\$ 79,343	Increase revenue from NCDHHS (100% reimbursement)
5372	DSS	\$ 79,343	Increase in CRISIS funding expenditures

BA-1112-036

3616	Sr. Center	\$ 2,500	Increase revenue from pancake breakfast November 2011
4268	Sr. Center	\$ 2,500	Increase expenditures for fundraising expenditures

BA-1112-037

3616	Sr. Center	\$ 6,535	Increase fund balance appropriated
4268	Sr. Center	\$ 6,535	Increase expenditures for donations received in FY 10-11 to expand home delivered meals program in Chowan County (revenue received in FY 10-11 and expenditures to occur in FY 11-12)

BA-1112-038

3612	Recreation Grants	\$ 6,070	Increase revenue from East Carolina Behavioral Health for the Parents-A-Second-Time-Around (PASTA) which will educate non-parental caregivers to understand legal, financial and social challenges faced while providing care for their grandchildren (no match required)
6132	Recreation Grants	\$ 6,070	Increase expenditures for program facilitators/instructors, child care, transportation, food and program supplies

BA-1112-039

3531	DSS	\$ 27,258	Increase revenue from NCDHHS – 100% reimbursement
5372	DSS	\$ 27,258	Increase expenditures for county administration of the Low Income Energy Assistance Program

BA-1112-040

41	Hurricane Irene Fund	\$ 10,000	Increase revenue from FEMA and NC Dept of Emergency Management
41	Hurricane Irene Fund	\$ 10,000	Increase expenditures for road sign replacement on state maintained roads in Chowan County including temporary position salary and fringe benefits, automotive expenses and supplies/materials

BA-1112-041

3612	Recreation	\$ 500	Increase revenue from Edenton Motors for football team sponsorship
6130	Recreation	\$ 500	Increase expenditures for football uniform and equipment

Board Clerk Susanne Stallings noted the corrected line item BA 112-041 was provided for the Board's consideration.

Commissioner Nixon asked for clarification on BA 038.

Ms. Jones stated that the recreation department applied for a grant through East Carolina Behavioral Health that provides training for non parental guardians. She stated no county match is required.

Commissioner Smith asked if the grant amount for BA 034 is \$5,000, Ms Jones stated yes, the \$605 is participant contributions.

Chairman Goodwin asked for clarification on BA 040.

Ms. Jones stated that this is monies eligible from FEMA to hire a temporary person to repair/replace missing, leaning or damaged signs. She stated the Sheriff is keeping an inventory of these signs.

Mr. Cole asked if the monies were available.

Ms. Jones stated the county would apply for reimbursement and that would pay for the person and the signs.

d. Recommended Budget Transfers

BT-1112-006

9900	Contingency	\$ 300	Decrease contingency
4210	Info Tech	\$ 300	Increase professional services for supplemental invoice for software configuration for laser check print and digital signatures

Commissioner Nixon moved that the Board approve items C and D. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

e. Surplus Items

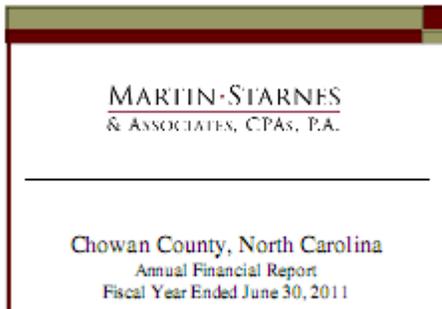
A list of items compiled by staff that has been determined to be surplus property is attached. In order for the items to be liquidated, the Board must declare it surplus by a unanimous vote pursuant to NCGS 160 A – 266 (c). It is recommended that the Board declare the property as surplus and authorize the County Clerk to arrange the sale or disposition of the property (via Gov Deals), to be sold “as is” in accordance with the General Statutes.

Mr. Whitehurst stated these items would be listed and sold on Gov Deals. Ms. Stallings added that the monies from the sale of the boat would be placed in a special fund for repairs of the remaining sail boat. She added that the monies from the sale of any items from the Water Department would go into the Water Fund as well.

Commissioner Mitchener moved that the Board approve item E. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

FY 10-11 Audit Report

The County's Auditor, Bryan Starnes with Martin Starnes and Associates formally presented the FY 10-11 Independent Audit. A copy of the PowerPoint presentation is in the meeting file labeled November 7, 2011.



Audit Highlights

- Unqualified opinion
- Cooperative staff
- Internal control findings
- Increase in fund balance in general fund of \$761,075
- Available fund balance 16% of general fund expenditures and transfers.

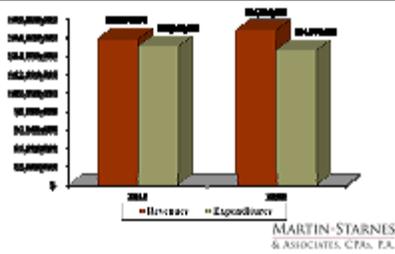
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Audit Process

- Planning and risk assessment
- Interim procedures
- Final procedures
- Year-round process

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General Fund Summary



Fund Balance

- Serves as a measure of the County's financial resources available.
 - Assets - Liabilities = Fund Balance
- § Classifications:
 - Non spendable - not in cash form
 - Restricted - external restrictions (laws, grants)
 - Committed - internal constraints at the highest (Board) level-do not expire, require Board action to undo
 - Assigned - internal constraints, lower level than committed
 - Unassigned - no external or internal constraints

Fund Balance

Available fund balance as defined by the Local Government Commission (LGC) is calculated as follows:

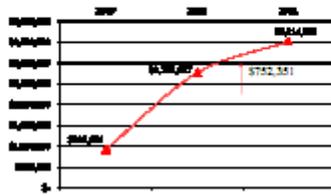
Total Fund Balance
 Less: Non spendable (not in cash form, not available)
 Less: Stabilization by State Statute (by state law, not available)
 Available Fund Balance

This is the calculation utilized as the basis for comparing you to other units and calculating your fund balance percentages.

Fund Balance Summary for the General Fund

□ General Fund - Operating	\$ 3,164,773
□ Revaluation Fund	\$ 120,757
□ Street Assessment Fund	\$ 3,911
□ School Capital Reserve Fund	\$ 225,487
□ General Fund Consolidated	\$ 3,514,928

Total Fund Balance General Fund



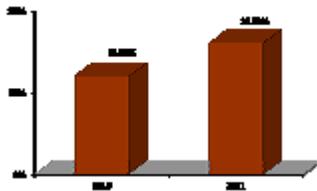
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Fund Balance Position General Fund - Operating

□ Total Fund Balance	\$ 3,164,773
□ Non spendable	- 25,500
□ Stabilization by State Statute	- 637,487
□ Available Fund Balance	\$ 2,501,786
□ Available Fund Balance 2010	\$ 1,862,400
□ Increase in Available FB	\$ 639,386

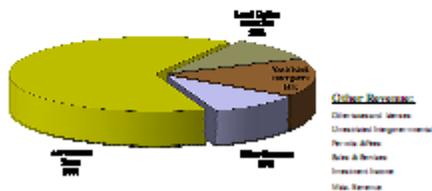
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Available Fund Balance as a Percent of Expenditures plus Transfers General Fund



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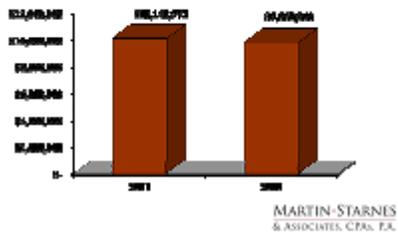
Top 3 Revenues: General Fund



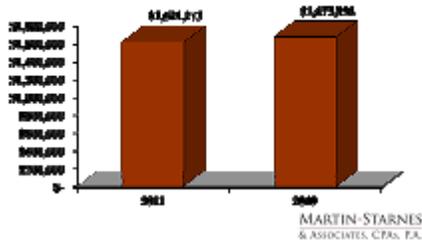
Top 3 Comprise \$14,285,588(90%) of Revenue

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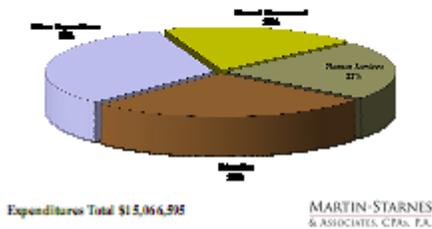
Property Tax



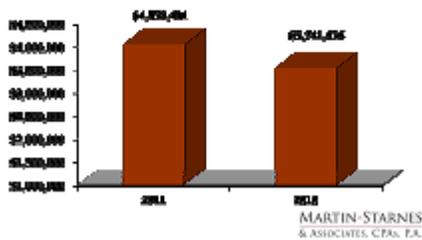
Sales Tax



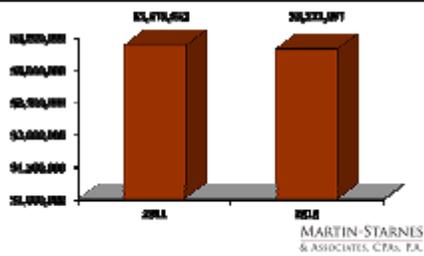
Top 3 Expenditures: General Fund



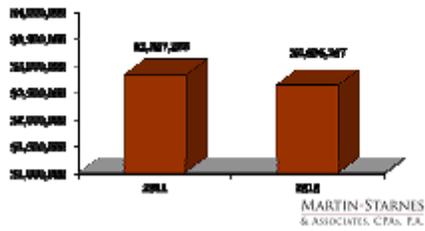
Education Expenditures



Human Services Expenditures



General Government Expenditures



Summary of Enterprise Funds

Net Income	
Water	\$ 216,706
Solid Waste	268,693
Emergency Management	150,786
Water Development	34,997

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Enterprise Fund – Water Fund

	2011	2010
Cash	\$ 838,463	\$ 493,692
Available Net Assets	921,090	536,129
Cash flow from operations	456,953	530,978
Debt service requirement	0	0

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Enterprise Fund –Solid Waste Fund

	<u>2011</u>	<u>2010</u>
Cash	\$ 334,971	\$ 129,665
Available Net Assets	377,726	109,033
Cash flow from operations	368,953	367,823
Debt service requirement	0	0

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Enterprise Fund – Emergency Medical Services Fund

	<u>2011</u>	<u>2010</u>
Cash	\$ 83,287	\$ 58,385
Available Net Assets	29,927	67,791
Cash flow from operations	119,956	(54,757)
Debt service requirement	36,469	53,155

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Water Development Capital Reserve Fund

Cash Balance

- Water Development \$ 541,657

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What Does Our State Legislature Face?

- State tax revenues are not enough to fully replace federal stimulus funds that expired in June
- Federal healthcare reform will make it harder for states to control costs
- Federal spending cuts will affect state and local governments to varying degrees

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How Did Local Governments Fare in Fiscal Year 2011

- Property tax revenue fell in the first quarter of 2011, this is likely to continue into 2012
- Sales tax revenue grew by 4% in the first quarter of 2011, the fourth consecutive quarter with growth
- General Fund balance as a percentage of revenues fell an average of 3%

Source: Moody's Economic Center

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Discussion & Questions

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Mr. Starnes reported that the bound books for the Board to review were not available due to the Department of Health and Human Services (DHHS) has not provided child care benefit information. He stated the report information will not change however that information is needed for one part of the report. He noted Chowan County is in much better financial shape than it was in 2008. He noted some changes in the way information in the audit is reported due to the changes in Governmental Accounting Standards (GASB 54).

The Board thanked Mr. Starnes for his report.

TDA Resolution

Commissioner Nixon requested that the Manager provide the Board with a history of the Tourism Development Authority (TDA) in Chowan County.

Mr. Whitehurst stated that in 1986 Chowan County passed an Occupancy Tax of 3%. In September 1989 Chowan County created the TDA Board. In 2005 legislation was changed to allow Chowan County to increase its occupancy tax to 5% and with that in 2006 the legislation was changed to be uniformed statewide. This legislation defines the membership and the use of the tax. He stated that it is recommended that the resolution that is adopted clarify the membership and terms of the TDA Board members. He stated the legislation states 1/3 of the membership of the TDA should be affiliated with a business that collects the occupancy tax, 1/2 must be active in the promotion of travel and tourism. The Board reviewed the resolution and made adjustments to it. The Board discussed the difficulty in setting term limits due to the limited number of eligible members in the county.

Chairman Goodwin asked if any of the TDA Board members in the audience had any questions or comments on the revisions to the draft resolution.

Katrina Barnes, General Manager of the Hampton Inn stated she did not have any problems with the revised resolution. She stated her concern with any limitation of the terms but otherwise concurred with the proposed changes.

Commissioner Smith clarified the staggered terms.

With the Board agreeing on the final amendments to the resolution, Board Clerk, Susanne Stallings then read the resolution to be considered.

RESOLUTION
AMENDING THE TOURISM DEVELOPMENT AUTHORITY STRUCTURE

WHEREAS, the Chowan County Board of Commissioners implemented effective October 1, 1989, a 3% occupancy tax as authorized by Chapter 174, House Bill 787 entitled **AN ACT TO AUTHORIZE CHOWAN COUNTY TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX**, as ratified by the North Carolina General Assembly on May 31, 1989; and,

WHEREAS, on September 11, 1989, pursuant to Section 2 of Chapter 174, House Bill 787, the Chowan County Board of Commissioners established the Chowan County Tourism Development Authority; and,

WHEREAS, the Chowan County Board of Commissioners levied an additional 2% occupancy tax as authorized by Session Law 2006-129, House Bill 1269 entitled **AN ACT TO AUTHORIZE CHOWAN COUNTY TO LEVY AN ADDITIONAL TWO PERCENT ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX AND TO MAKE OTHER ADMINISTRATIVE CHANGES**, as ratified by the North Carolina General Assembly on July 19, 2006; and,

WHEREAS, on August 28, 2006, pursuant to Section 2 Session Law 2006-129, House Bill 1269, the Chowan County Board of Commissioners established the Chowan County Tourism Development Authority.

NOW, THEREFORE BE IT RESOLVED, that the Chowan County Board of Commissioners does hereby restate and amend the August 28, 2006 **RESOLUTION** as follows:

MEMBERSHIP: The Chowan Tourism Development Authority shall consist of nine (9) members. Each seat or position for a member shall be designated in accordance with the following selection criteria.

At least one-third (3) of the members must be individuals affiliated with businesses that collect the tax in the county and at least one-half (5) must be individuals currently active in the promotion of travel and tourism in the county.

The positions for the "collection" category shall be numbered one (1) through three (3) consecutively. The positions for the "promotion" category shall be numbered four (4) through eight (8) consecutively. The remaining position shall be numbered nine (9).

The Chowan County Board of Commissioners hereby designates a Chowan County Commissioner member in position number nine (9).

The County Manager and Town Manager shall serve as ex officio members with no voting authority. The Clerk to the Board of Commissioners shall serve as clerk to the Tourism Development Authority as ex officio with no voting authority. The Chowan County Finance Officer shall serve Treasurer to the Tourism Development Authority as an ex officio member with no voting authority.

TERMS OF OFFICE: Each member shall serve a three (3) year term except that initially three (3) of the members shall serve a one (1) year term, three (3) additional members shall serve a two (2) year term. Thereafter, all members shall serve a three (3) year term.

The term of office shall be established on a year beginning January 1 and ending December 31.

Appointments by the Board of Commissioners may be made to serve the unexpired term of any vacancy on the Authority.

ORGANIZATION: The Authority shall meet at least once every six months, including a meeting in January of each year to organize and to elect additional officers as established by the Authority.

COMPENSATION: All members of the Authority except any paid county or town employees shall be paid at a rate of \$20 per meeting.

ADOPTED this the 7th day of November, _____

Commissioner Mitchener moved that the Board adopt the resolution to include the staggered terms. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

Commissioner Nixon then moved that the TDA membership as it is currently, with all members sitting, be approved until the Board of Commissioners meets to appoint membership in December 2011 with the nine serving members are the only voting members and the managers of the Town and County no longer voting, but serve ex officio. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

Commissioner Smith moved that the Board appoint Commissioner Nixon as Chairman of the TDA. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

Generator at Health Department

Mr. Whitehurst provided the board with documentation as requested at the October 31, 2011 meeting regarding the generator at the Health Department. He stated that the Director of the Health Department has requested that he be allowed to leave the generator for a short period of time after he vacates the building, and return later to have it moved to the new location on Hicks Street.

Commissioner Nixon moved that the Board approve Mr. Parks's request. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

817 B- Soundside Rd. Status of property sale

Chairman Goodwin stated that the Board will discuss the status of the sale of property at 817 B Soundside Rd. in executive session and any decision made will be voted upon in open session.

External Board/Committee Reports

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

Commissioner Cole provided the Board with a PowerPoint from the ARHS Board meeting regarding Rabies Risk Assessment and Post Exposure Prophylaxis. He stated he also met with the new director of the Boys and Girls Club and recommended that she be invited to a future Board meeting to make a presentation.

Commissioner Nixon asked that Mr. Whitehurst to explain the funding of non-profits.

Mr. Whitehurst stated that if a non-profit's mission coincides with the County mission and services and functions it may be funded but not without annual reports and audits to be provided to the Board of Commissioners.

Commissioner Mitchener provided the Board with a packet of meeting materials from Destination Downtown meeting.

Finance Officer Report

Finance Officer Lisa Jones provided the Cash Balance Summary and Cash and Investment Balance information for the month of September with a total of \$9,781,342 in total petty cash checking and investments. A copy of the PowerPoint is in the meeting file labeled November 7, 2011.

Manager Items

Interim County Manager John Ed Whitehurst updated the Board on the following items:

- Rabies Shots for Volunteers at Shelter

Mr. Whitehurst stated he was visited by volunteers of the Animal Shelter requesting that the County pay for them to receive rabies shots. The series of shots is 3-4 shots at \$200 each, for two volunteers the cost would be \$1,200.

Commissioner Nixon asked if volunteers sign a liability waiver.

Mr. Whitehurst stated he is implementing this policy immediately.

Ms. Barbara Yates a volunteer at the Shelter stated that the volunteers who transport animals do not foster aggressive animals. She stated one volunteer is elderly and was told by his doctor that a bite from a rabid animal could be fatal. She stated she would suggest that a policy be implemented that all animals be loaded by shelter staff and unloaded by rescue groups to ensure that the volunteer transporters do not handle the animals.

Mr. Whitehurst stated he would implement the waiver form at the shelter immediately.

Timely and Important Matters

Commissioner Nixon asked Mr. Whitehurst to clarify the statutes that govern Special Use Permit hearings.

Mr. Whitehurst added that the Board of Commissioners is not allowed to over ride a decision of the Planning Board, which is state law.

Appointment of Tax Administrator

Chairman Goodwin stated that Mr. Clyde (Kep) Kepley has accepted the position of Tax Administrator for Chowan County.

Commissioner Smith moved that the Board hire Mr. Kepley effective November 28, 2011 with an annual salary of \$63,000 with benefits. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

Executive Session

Commissioner Smith moved that the Board go into Executive Session in accordance with NCGS 143-318.11(a) (1) (3) (5)& (6). Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

The minutes of the executive session are sealed.

Commissioner Nixon moved that the Board close the executive session. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

Recess

The Board went back into open session. Commissioner Smith moved that the Board recess until Thursday, November 10th at 9:00am. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

Reconvene

The Board of Commissioners reconvened the recessed meeting on Thursday, November 10, 2011. Commissioners, Lawrence, Winborne, Smith, Cole, Mitchener, Nixon, Winborne and Chairman Goodwin were all present. Staff present was Carrie Byrum, John Ed Whitehurst and Board Clerk Susanne Stallings.

Commissioner Nixon moved that the Board go into Executive Session in accordance with NCGS 143-318.11(a) (1) (5)& (6). Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

The minutes of the executive session are sealed.

Commissioner Nixon moved that the Board close the executive session. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

Commissioner Smith moved that the Board approve BT-1112-007. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0). Chairman Goodwin brought the transfer to the Finance Office for Finance signature.

Recommended Budget Transfers

BT-1112-007

9900	Contingency	\$ 9,597	Decrease contingency
4120	Admin	<u>4,210</u>	Decrease retirement, hospitalization, travel
		\$ 13,815	
4120	Admin	\$ 13,815	Increase salaries and wages, FICA and deferred comp for salary for county manager contract effective January 1, 2012.

Commissioner Smith moved that the Board go into Executive Session in accordance with NCGS 143-318.11(a) (1) (5)& (6). Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

The minutes of the executive session are sealed.

Commissioner Mitchener moved that the Board close the executive session. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

County Manager Contract

Commissioner Smith moved that the Board hire Zee Lamb under the employment agreement as agreed upon. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

Mr. Lamb stated he was looking forward to working with Chowan County and together moving the county forward in a positive way. He thanked the Board for their confidence in him.

The members of the public and press in attendance were provided copies of the employment agreement. (A copy of the agreement is in the meeting file labeled November 7, 2011 and recessed until November 10, 2011 meeting file).

Finance Office Personnel Action

Commissioner Mitchener moved that the Board dismiss the Chowan County Finance Officer for failure to perform assigned duties. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

Commissioner Nixon moved that the Board nominate Kim Smith as interim finance officer, noting that if Ms. Smith accepts the nomination she can receive the oath from Susanne Stallings. He added that he hoped the new Tax Administrator could provide assistance to the Finance Office as needed. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

Commissioner Nixon requested that the Manager be instructed to advertise the vacant position and notify the finance officer of the Board action.

Adjourn

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

Chairman
Edward C. Goodwin

Clerk