

**Chowan County Board of Commissioners**  
**Regular Meeting**  
**Monday, November 3, 2008**  
**9:00am**  
**1767 Chowan County Courthouse**  
**117 East King Street**

The Chowan County Board of Commissioners held their regular meeting on Monday, November 3, 2008, at 9:00 am in the 1767 Chowan County Courthouse, 117 East King Street Edenton, NC.

Present: Ralph Cole, Jimmy Alligood, Bill Gardner, Kenny Goodwin, Louis Belfield, Harry Lee Winslow and Jerry Downum. Also present was County Manager, Peter Rascoe and Clerk to the Board, Susanne Stallings.

Chairman Cole called the meeting to order offered the invocation.

Chairman Cole presented the consent agenda.

Commissioner Goodwin asked for explanation for the increases in the DSS budget.

DSS Director, Ben Rose noted the increases were a result of increases in state and federal funding.

Commissioner Alligood moved that the Board approve the consent agenda as submitted. Chairman Cole asked for all in favor, the motion carried unanimously (7-0).

**Consent Agenda**

**a. Minutes from the Regular Meeting October 6, 2008 Meeting.**

**b. Budget Amendments**

3531 DSS	\$23,077	Increase	Increase in Smart Start Funding
3531 DSS	\$20,000	Decrease	Decrease in Daycare Funding
3531 DSS	\$111	Increase	Increase in Adult Daycare Funding
3531 DSS	\$2,000	Increase	New Allocation of Funding
3531 DSS	\$184	Increase	Increase in Advertising Funding
3531 DSS	\$3,858	Increase	Increase in CRISIS Funding
3497 CWMTF			
Grant	\$52,500	Increase	Stormwater Planning Grant
3431 Sheriff	\$8,250	Increase	Governors Crime Commission Grant to purchase Radios and accessories
9841 General			
Fund	\$80,050	Increase	General Fund Operating Reserve

**c. Budget Transfers**

4270 911	increase	\$1891	Step increase from lapsed salary for IT As approved by the Board on 10/6/08
6110 Library	increase	\$1857	Contingency main and repair building

d. Tax Release

Black, A.	\$243.57	SITUS, Bertie Co.
Blount, S.	\$105.87	SITUS Bertie Co.
Croom, M.	\$110.74	Vehicle Sold
Davis, C.	\$147.38	SITUS Brunswick Co.
Fallon, C.	\$104.80	Vehicle put in husband's name
Jordan, C.	\$110.88	Vehicle totaled
King, R.	\$114.46	SITUS Perquimans Co.

e. Capital Project Ordinance Amendments

**CDBG Grant #** CDBG 05-E-1467

Revenues amended, total has not changed.

New Total \$629,968

Public Comment

Chairman Cole called for public comment, being none, he closed the floor for public comment.

2008-09 Secondary Road Improvement Program

Sterling Baker of NCDOT presented the 2008-09 secondary road improvement program to the Board. He noted the proposed allocation for the 2008-09 program included \$215,668 and \$70,098 for the Highway Fund. He said that \$94,162 is proposed for the trust fund. All of the proposed allocations for Chowan County total \$379,928. He said that the number of paved and unpaved roads determine the amount allocated to each County.

Commissioner Gardner thanked DOT for their work on the Drummonds Point road repairs.

Commissioner Downum moved that the Board open the public hearing. Chairman Cole asked for all in favor, the motion carried unanimously (7-0).

David Barrett asked about the paving on Indian Trail.

Mr. Baker described the re-strengthening process.

Being no further public comment, Commissioner Gardner moved that the floor be closed. Chairman Cole asked for all in favor, the motion carried unanimously (7-0).

Commissioner Downum moved that the Board approve the plan as submitted by DOT.

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

Request for addition of road to the State Secondary Roads System

Commissioner Winslow asked to be recused from the vote on this item due to a family relationship with the applicant.

Mr. Rascoe noted that a petition signed by the owner of Meadow Lark Drive has been received requesting that Meadow Lark Drive be added to the State Highway Secondary Roads System.

He said that after consideration, the Board of Commissioners may forward this request to the NC Department of Transportation for its investigation with the enclosed resolution.

Commissioner Gardner asked if the road would then become the responsibility of DOT to maintain.

Mr. Rascoe said that DOT would then absorb responsibility for maintenance of the road.

Commissioner Alligood moved that the Board approve the request and resolution. Chairman Cole asked for all in favor, the motion carried unanimously (7-0).

### **Albemarle Regional Solid Waste Management Authority Contract**

Ralph Hollowell, Executive Director of PCG Landfill and the Albemarle Regional Solid Waste Authority, presented the Board with Schedule A for their consideration (and therefore ratification of the actual main contract) to the Albemarle Regional Solid Waste Management Authority's (ARSMA) newly adopted contract with Republic Services of NC, LLC. Mr. Hollowell shared the history of the contract renewal and described the amount of time invested by the ARSWMA Board. He noted that for the first three years, there will be no consumer price index increase for the first three years of the contract. He said that the gate rate would now be \$42.90.

The Board members discussed the advantages of creating a transfer station in Chowan County to reduce the need to haul the waste to the Landfill in the northern end of the County prior to sending the waste across the river to the Bertie County Landfill.

Commissioner Alligood and Commissioner Goodwin both favored investigating ways to reduce the costs of hauling solid waste.

Citizen Jim Brock asked how many tons are currently hauled out of Chowan County.

Finance Officer, Lisa Jones said that Chowan County hauls approximately 600-700 tons per month.

Citizen Rick Flora said that he could not see the county realizing savings by creating a transfer station if the County would have to absorb costs for equipment and fuel.

Commissioner Winslow explained the process by which the solid waste is transferred.

Commissioner Downum said that the reduced rate is good for the County.

Town of Edenton Manager, Anne-Marie Knighton said that the Town of Edenton contracts with Waste Industries for hauling their waste to the landfill.

Commissioner Goodwin said that the language in the contract prohibits the County from seeking other means of transferring the solid waste.

Commissioner Alligood moved that the County adopt Schedule A of the Contract and thereby ratify the main contract between Albemarle Regional Solid Waste Management Authority and

Republic Services of North Carolina, LLC. Chairman Cole asked for all in favor, the motion passed (6-1 Goodwin).

A copy of the contract will be in the Minutes file of the Chowan County Board of Commissioners labeled November 2008.

### **Available State Grant for Ortho Photography**

Land Records Director, Gail Forehand presented a grant opportunity for the Board's consideration for a state grant for 6 counties in the Northeast that are in need of new aerial photography. She said that the 6 counties are Bertie, Chowan, Hertford, Martin Washington and Gates. She said that based on preliminary figures it would cost the County \$9,441 for the flyover. She said that County would pay ½ of the costs now and the other ½ in the 2009-10 budget. She said that the landscape of Chowan County has changed drastically since hurricane Isabel. Ms. Forehand noted that one of the great benefits of the new maps would include the entire river area around Chowan County and will also shoe the new subdivisions in the County.

Commissioner Allgood asked if the County had the monies to cover this project.

Mr. Rascoe said that the money is not budgeted but could be transferred from contingency.

Commissioner Gardner said that he believes that this is a good deal for Chowan County, but the Commissioners elect may need to be the persons to make the decision in December.

Commissioner Belfield said that he felt the County should not pass up this opportunity. He then moved to approve the County to transfer monies to allow the County to participate in the flyover.

Chairman Cole asked for all in favor, the motion carried (5-2 Gardner, Goodwin).

### **Red Flag Policy**

Tax Administrator, Lynda Hendricks presented a policy for establishment of an Identity Theft Prevention Program that is designed to detect, prevent and mitigate identity theft with the opening of a covered account or an existing covered account to comply with Part 681 of Title 15 of the Code of Federal Regulations of the Fair and Accurate Credit Transactions Act (FACTA) of 2003. Ms. Hendricks also presented the policy to the Public Safety Committee on October 30, 2008.

Commissioner Belfield moved that the Board adopt the policy. Chairman Cole asked for all in favor, the motion carried unanimously (7-0).

## **Chowan County, NC Policy for Establishment of an Identity Theft Prevention Program**

### **Policy Purpose**

To establish a an Identity Theft Prevention Program designed to detect, prevent and mitigate identity theft in connection with the opening of a covered account or an existing covered account and to provide for continued administration of the Program in compliance with Part 681 of Title 16 of the Code of Federal Regulations implementing Sections 114 and 315 of the Fair and Accurate Credit Transactions Act (FACTA) of

2003 [15 U.S.C. § 1681 et seq.].

### **Policy Definitions:**

**Identify theft** means fraud committed or attempted using the identifying information of another person without authority.

A **covered account** means:

1. An account offered or maintained by Chowan County primarily for personal, family, or household purposes that involves or is designed to permit multiple payments or transactions. Covered accounts include utility payment accounts, fee payment accounts, and property tax payment accounts; and
2. Any other account that Chowan County offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of Chowan County from identity theft, including financial, operational, compliance, reputation or litigation risks.

A **red flag** means a pattern, practice or specific activity that indicates the possible existence of identity theft.

### **The Program**

By policy, Chowan County establishes an Identity Theft Prevention Program to detect, prevent and mitigate identity theft. The Program includes reasonable policies and procedures to:

1. Identify relevant red flags for covered accounts it offers or maintains and incorporate those red flags into the program;
2. Detect red flags that have been incorporated into the Program;
3. Respond appropriately to any red flags that are detected to prevent and mitigate identity theft; and
4. Ensure the Program is updated periodically to reflect changes in risks to customers and to the safety and soundness of the creditor from identity theft. The program shall, as appropriate, incorporate existing policies and procedures that control reasonably foreseeable risks.

### **Administration of Program**

1. The Chowan County Manager shall be responsible for the development, implementation, oversight and continued administration of the Program.
2. The Program shall train staff, as necessary, to effectively implement the Program; and
3. The Program shall exercise appropriate and effective oversight of service provider arrangements.

### **Identification of Relevant Red Flags**

1. The Program shall include relevant red flags from the following categories as appropriate:
  - a. Alerts, notifications, or other warnings received from consumer reporting agencies or service providers, such as fraud detection services;

- b. The presentation of suspicious documents;
- c. The presentation of suspicious personal identifying information;
- d. The unusual use of, or other suspicious activity related to, a covered account; and
- e. Notice from customers, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with covered accounts.

2. The Program shall consider the following risk factors in identifying relevant red flags for covered accounts as appropriate:

- a. The types of covered accounts offered or maintained;
- b. The methods provided to open covered accounts;
- c. The methods provided to access covered accounts; and
- d. Its previous experience with identity theft.

3. The Program shall incorporate relevant red flags from sources such as:

- a. Incidents of identity theft previously experienced;
- b. Methods of identity theft that reflect changes in risk; and
- c. Applicable supervisory guidance.

### **Detection of Red Flags**

The Program shall address the detection of red flags in connection with the opening of covered accounts and existing covered accounts, such as by:

- 1. Obtaining identifying information about, and verifying the identity of, a person opening a covered account; and
- 2. Authenticating customers, monitoring transactions, and verifying the validity of change of address requests in the case of existing covered accounts.

### **Response**

The Program shall provide for appropriate responses to detected red flags to prevent and mitigate identity theft. The response shall be commensurate with the degree of risk posed. Appropriate responses may include:

- 1. Monitor a covered account for evidence of identity theft;
- 2. Contact the customer;
- 3. Change any passwords, security codes or other security devices that permit access to a covered account;
- 4. Reopen a covered account with a new account number;
- 5. Not open a new covered account;
- 6. Close an existing covered account;
- 7. Notify law enforcement; or
- 8. Determine no response is warranted under the particular circumstances.

### **Updating the Program**

The Program shall be updated periodically to reflect changes in risks to customers or to the safety and soundness of the county from identity theft based on factors such as:

1. The experiences of the county with identity theft;
2. Changes in methods of identity theft;
3. Changes in methods to detect, prevent and mitigate identity theft;
4. Changes in the types of accounts that the county offers or maintains;
5. Changes in the business arrangements of the county, including mergers, acquisitions, alliances, joint ventures and service provider arrangements.

### **Oversight of the Program**

1. Oversight of the Program shall include:
  - a. Assignment of specific responsibility for implementation of the Program;
  - b. Review of reports prepared by staff regarding compliance; and
  - c. Approval of material changes to the Program as necessary to address changing risks of identity theft.
2. Reports shall be prepared as follows:
  - a.. Staff responsible for development, implementation and administration of the Program shall report to the Chowan County Manager at least annually on compliance by the county with the Program.
  - b. The report shall address material matters related to the Program and evaluate issues such as:
    - i. The effectiveness of the policies and procedures in addressing the risk of identity theft in connection with the opening of covered accounts and with respect to existing covered accounts;
    - ii. Service provider agreements;
    - iii. Significant incidents involving identity theft and management's response;and
  - iv. Recommendations for material changes to the Program.

### **Oversight of Service Provider Arrangements**

Chowan County shall take steps to ensure that the activity of a service provider is conducted in accordance with reasonable policies and procedures designed to detect, prevent and mitigate the risk of identity theft whenever the organization engages a service provider to perform an activity in connection with one or more covered accounts.

### **Duties Regarding Address Discrepancies**

Chowan County shall develop policies and procedures designed to enable the county to form a reasonable belief that a credit report relates to the consumer for whom it was requested if the county receives a notice of address discrepancy from a nationwide consumer reporting agency indicating the address given by the consumer differs from the address contained in the consumer report. Chowan County may reasonably confirm that an address is accurate by any of the following means:

1. Verification of the address with the consumer;

2. Review of the county's records;
3. Verification of the address through third-party sources; or
4. Other reasonable means.

If an accurate address is confirmed, Chowan County shall furnish the consumer's address to the nationwide consumer reporting agency from which it received the notice of address discrepancy if:

1. The county establishes a continuing relationship with the consumer; and
2. The county, regularly and in the ordinary course of business, furnishes information to the consumer reporting agency.

**Ordinance Levying Tax on Gross Receipts Derived from Retail Short Term Lease or Rent of Motor Vehicles**

Tax Administrator, Lynda Hendricks presented an ordinance levying tax on gross receipts derived from retail short term lease or rent of motor vehicles. She said that a car rental business is now operating within Chowan County, a gross receipts tax ordinance is needed to levy tax on the business's property and she noted that the property is exempt from ad valorem tax. She noted that in anticipation of this ordinance, the business has already submitted a check for taxes.

Commissioner Downum moved that the Board adopt the ordinance. Chairman Cole asked for all in favor, the motion carried unanimously (7-0).

**CHOWAN COUNTY  
AN ORDINANCE LEVYING TAX GROSS RECEIPTS DERIVED FROM RETAIL  
SHORT-TERM LEASE OR RENTAL OF MOTOR VEHICLES**

WHEREAS, pursuant to Chapter 2 of the 2000 Session Laws, current NCGS §105-275(42) excludes from the county's ad valorem tax base "vehicles offered at retail for short-term lease or rental"; however pursuant to the same session law, NCGS §153A-156 authorizes a county to levy a gross receipts tax on the gross receipts from the short-term lease or rental of vehicles at retail to the general public;

NOW, THEREFORE BE IT ORDAINED, by the Chowan County Board of Commissioners pursuant to NCGS §153A-156 that the following tax is levied: .

SECTION 1. Tax on Gross Receipts derived from retail short term motor vehicle leases or rentals. The County of Chowan hereby imposes and levies a tax of one and one half percent (1.5 %) of the gross receipts from the short term lease or rental of vehicles at retail to the general public, as authorized by NCGS §153A-156.

SECTION 2. Administration. The County through its Tax Administrator will administer and collect from operators of leasing and rental entities the tax levied hereby. The

County Tax Collector may promulgate additional lawful rules and regulations necessary for implementation and collection of the tax.

SECTION 3. Payment of Taxes and Filing of Returns.

The taxes levied hereby are due and payable to the County in monthly installments on or before the fifteenth (15th) day of the month following the month in which the tax accrues. Every entity required to collect the tax shall, on or before the fifteenth (15th) day of each month, prepare and render a return to the County.

SECTION 4. Penalties. In case of failure or refusal to file a return or pay the tax, pursuant to NCGS §153A-156(f) the penalties and remedies that apply to local sales and use taxes under Subchapter VIII of Chapter 105 of the General Statutes apply to a tax levied under this ordinance. The County Board of Equalization and Review, for good cause shown, may consider appeals and adjust any penalty or additional tax imposed hereunder.

SECTION 5. Misdemeanor for Willful Violation. Any person, firm, corporation or association who willfully attempts in any manner to evade a tax imposed herein or who willfully fails to pay the tax shall, in addition to the penalties provided by law and herein, be guilty of a misdemeanor punishable as provided by law.

SECTION 6. Effective Date. This ordinance shall become effective immediately

**Chowan County Animal Control Firearms Procedures**

Public Safety Director (also chairman of the Animal Control Advisory Review Committee) Doug Belch presented a new policy that was approved by the Animal Control Advisory Review Committee and the Public Safety Committee of the Board of Commissioners. He provided details on the new policy shared a copy for the Board's review and consideration.

Commissioner Downum asked if tranquilizers will be used 1<sup>st</sup> when possible.

Mary Bass, Animal Control Director said yes.

Commissioner Alligood asked why a shotgun was chosen over a rifle.

Deputy Buddy Bunch said that a rifle has more range and the committee felt that a shot gun would be safer.

Commissioner Goodwin noted that the officers will also be carrying the OC spray.

Mary Bass said yes.

Commissioner Downum moved that the Board adopt the policy as presented.

Clerk, Susanne Stallings noted that this is an amendment to the operating procedures of Animal Control and not an ordinance amendment.

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

### **Tax Collectors Report**

Tax Administrator, Lynda Hendricks gave the Tax Collectors Report for the month of October. She also shared that the business audit is on-going and that names are being drawn at random.

Commissioner Goodwin requested that the business audit be noted in the Chowan Herald.

Ms. Hendricks said that she would do that.

### **Maintenance Report**

Maintenance Director, Orville Mason provided the Board with a report of the Maintenance Departments activities for 2008. And noted the challenges he has faced with the budgetary cuts.

### **Animal Control Report**

Animal Control Director, Mary Bass provided the Board with a report of the Animal Control Department's trends and activities for 2008. Noting that 2,202 animals have been euthanized this year.

Commissioner Allgood asked to be excused from the meeting to go to work.

### **Economic Development Activity Report**

Economic Development Director, Richard Bunch and Town of Edenton Mayor Roland Vaughan provided the Board with a report on Economic Development successes and shared a PowerPoint on the successes. A copy of the PowerPoint will be in the Minutes file of the Chowan County Board of Commissioners labeled November 2008.

### **DSS Food & Nutrition Services Applications**

DSS Director, Ben Rose provided a graph highlighting the applications for food and nutrition services for July-September 2007 & 2008. He said that due to the current economic situation is showing through the increase requests for applications.

### **Finance Report**

Finance Officer, Lisa Jones will provide financial reports for the month of October. She presented a cash flow projection through June 2009 which will be available on the Chowan County website and also included in the October 2008 Board of Commissioner meeting file. She also shared that the County has a cash balance of -\$300,152 and a total investment balance of \$726,989. She also presented an analysis of Sales Tax Collections.

### **Budget Amendment**

Mr. Rascoe presented the following budget amendment to reflect the reduced amount of Land Transfer revenues coming in. He noted that the revenues for Land Transfer are at 16% but should be at 33% for the time of year. He noted the savings sources were \$36,536 from the lapsed salary for an IT position, \$53,200 from the Library debt service loan, \$13,000 on rental space, \$133,237 DFW School and Adult Day/NCCC modified loan savings and \$99,027 Library Capital Project Fund.

Commissioner Gardner moved that the Board approve the following budget amendment.

Commissioner Goodwin said he felt that the Board is moving backwards by budgeting savings and he said he would like for staff to look into more cuts for savings.

3418 Land

Transfer \$335,000      Decrease      Amend revenues to be received

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

**Manager's Report**

County Manager, Peter Rascoe provided the Manager's report. He said that the Clerk to the Board is applying for scholarships for the Essentials of County Government School for the Board.

Ms. Stallings noted that the costs could be in excess of \$950 per person.

Mr. Rascoe noted that an orientation is planned for the in-coming commissioners. Mr. Rascoe said that over 250 people are subscribed to the E-Chowan newsletter. Mr. Rascoe said that the clerk is making arrangements to do audio recordation of the meetings and the recorded audio will be online. He said that she plans to do the first recording at the December meeting. He said that if the sales tax referendum is approved by voters on the November 4<sup>th</sup> ballot, the sales tax would add an additional \$125,000 into the budget.

Chairman Cole recognized State Senator Ed Jones who was in the audience. Senator Jones spoke to the audience and said that he will work hard for Chowan County. Senator Jones said that he was attending the meeting to stay abreast of the challenges facing his counties and will make notes to take when he goes back to Raleigh after the first of the year.

There being no further business before the Board, the meeting was adjourned.

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Ralph Cole  
Chairman

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L. Susanne Stallings  
Clerk to the Board

(SEAL)