

Regular Meeting
Monday May 4, 2009
6:00 pm
Chowan County 1767 Courthouse
East King Street

MINUTES

The Chowan County Board of Commissioners held their regular meeting on Monday, May 4, 2009, at 6:00 pm in the Chowan County 1767 Courthouse, East King Street, Edenton, NC.

Present, Chairman Eddy Goodwin, Vice Chairman Emmett Winborne, Commissioner Jimmy Alligood, Commissioner Louis Belfield, Commissioner Kenny Goodwin, Commissioner Ralph Cole and Commissioner Keith Nixon. Staff Present: County Manager Peter Rascoe, Finance Officer Lisa Jones and Clerk to the Board Susanne Stallings.

Chairman Eddy Goodwin called the meeting to order and led the group in the pledge. Commissioner Ralph Cole then offered the invocation.

2. Public Comment

Chairman Eddy Goodwin opened the floor to public comment in accordance with NCGS 153A-52.1, there was none.

3. Consent Agenda

a. Budget Amendments

3835 Gen Fund	\$51,000	Increase Revenue	Increase sale of property revenue in general fund for sale of Chowan County Ruritan Building in Tyner
9841 Gen Fund	\$51,000	Increase Expense	Increase contribution to general fund reserve

3815 TDA	\$3,000	Increase Revenue	Increase fund balance appropriated from Sound Country Celebration profit from past years
8150 TDA	\$3,000	Increase Expense	Increase Sound Country Celebration expenses for current festival being held in June 2009

3616 Sr. Ctr	\$911	Increase Revenue	Increase Senior Center fees- fitness program revenue
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4268 Sr. Ctr. \$911 Increase Expense Increase part-time salaries for instructors of fitness programs

b. Tax Release

Dail, C. \$111.38 SITUS Perquimans County
Bank of NY \$104.96 Lease turned in

c. Minutes

March 23, 2009 Joint meeting with DSS and Special Finance Committee Meetings and the minutes of the April 6, 2009 Board meeting.

d. Interlocal Agreement

between the Town of Edenton and County of Chowan for Recovery Act: Justice Assistance Grant (JAG) Program Award.

INTERLOCAL AGREEMENT BETWEEN THE TOWN OF EDENTON AND COLINTY OF CHOWAN

RECOVERY ACT: JUSTICE ASSISTANCE GRANT (JAG) PROGRAM AWARD

This Agreement is made and entered into this day of May 4, 2009,

2009 by and between the County of Chowan, acting by and through its governing body, the Commissioners, hereinafter referred to as County, and the Town of Edenton, acting by and through its governing body, the Town Council, hereinafter referred to as Town, both of Chowan County, State of North Carolina, witnesseth:

WHEREAS, each governing body, in performing governmental functions or in paying for the performance of governmental functions hereunder, shall make that performance or those payments from current revenues legally available to that party: and

WHEREAS, each governing body finds that the performance of this Agreement is in the best interests of both parties, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the services or functions under this agreement; and

WHEREAS, the Town agrees to provide the County \$5,640.40 from the JAG award for the program; and

WHEREAS, the Town and County believe it to be in their best interests to reallocate the JAG funds.

NOW THEREFORE- the County and Town agree as follows.

Section I

Town agrees to pay County a total of \$5,640.40 of JAG Funds.

Section 2

County agrees to use \$5,640.40 for the Sheriff s Office Overtime Operation/Extra Duty

Section 3

Nothing in the performance of this Agreement shall impose any liability for claims against County other than claims for which liability may be imposed by the Tort Claims

Act.

Section 4

Nothing in the performance of this Agreement shall impose any liability for claims against Town other than claims for which liability may be imposed by the Tort Claims Act.

Section 5

Each party to this agreement will be responsible for its own actions in providing services under this agreement and shall not be liable for any civil liability that may arise from the furnishing of the services by the other party.

Section 6

The parties to this Agreement do not intend for any third party to obtain a right by virtue of this Agreement.

Section 7

By entering into this Agreement, the parties do not intend to create any obligations express or implied other than those set out herein; further, this Agreement shall not create any rights in any party not a signatory hereto.

e. Older Americans Month Proclamation

WHEREAS, Chowan County is a community in which 3,702 citizens age 60 and over make their home; and

WHEREAS, older adults in Chowan County and throughout the nation are an increasing population with evolving needs; and

WHEREAS, older Americans are valuable members of our society who enhance our communities and personal lives; and

WHEREAS, the increasing number of baby boomers reaching traditional retirement age highlights the need for increased support of older adults; and

WHEREAS, our older citizens of today and tomorrow promise to be among the most active and involved older adult populations in our nation's history; and

WHEREAS, it is the responsibility of this and all U.S. communities to work collaboratively to address older adults' unique health and long-term care challenges; and

WHEREAS, it is crucial that communities modernize systems of care to help empower older Americans and give them more control over their own lives; and

WHEREAS, communities can improve older citizens' overall quality of life by helping them:

Make behavioral changes in their lifestyles that can reduce the risk of disease, disability, and injury;

Obtain the tools they need to make informed decisions about, and gain better access to, existing health and long-term care options in their communities;

Have more options to avoid placement in nursing homes and remain at home as long as possible.

NOW THEREFORE, the Commissioners of Chowan County do hereby proclaim May 2009 to be Older Americans Month. We urge everyone to take time this May to honor our older adults and the professionals, family members, and citizens who care for them. Our efforts can improve the lives of our older citizens and help pave the way for future generations.

Dated this 4th day of May 2009

Chowan County Commissioners

f. 09/10 DJJD County Funding Plan

A copy of the plan is in the file labeled May 4, 2009 Chowan County Board of Commissioners Meeting.

g. Budget Transfer

9900 Contingency	\$2525 Decrease	Maintenance contract on admin copy machine used by multiple departments for color copies
4120 Admin Maint/Rep Of Equip	\$2525 Increase	Renewal of contract for copier maintenance

Commissioner Kenny Goodwin asked for clarification on items d and f.

Mr. Rascoe stated that item d is an interlocal agreement between the Sheriff's office and the Town. He said the funds will be split and there will be no cost to the county. He stated that item f is no upfront cost to the County, and the contribution is in-kind.

Commissioner Alligood moved that the Board approve the consent agenda as presented. The motion passed unanimously (7-0).

4. Resolution "Local Government Tort Claims Act"

Chairman Eddy Goodwin then presented a resolution in opposition to Senate Bill 1026 and House Bill 887, Also known as Local Government Tort Claims Act, and House Bill 1476 is presented for the Board's consideration.

Clerk to the Board, Susanne Stallings then read the following resolution into the record:

CHOWAN COUNTY BOARD OF COMMISSIONERS

**Resolution in Opposition to Senate Bill 1026 and House Bill 887,
Also Known as Local Government Tort Claims Act, and House Bill 1476**

WHEREAS, Senate Bill 1026 and House Bill 887 waive local government immunity and broaden the definition of proprietary functions for which local governments can be held liable; and

WHEREAS, under current law, counties can choose to waive their governmental immunity through the purchase of liability insurance; and

WHEREAS, Senate Bill 1026 and House Bill 887 eliminate the choice and prohibit administrative resolution of any claims greater than \$25,000 unless reviewed and approved by the court; and

WHEREAS, Senate Bill 1026 and House Bill 887 establish a cap of \$1 million per person, per occurrence for awards, but exempt from that limitation damages and claims that arise out of the exercise of proprietary functions. Senate Bill 1026 redefines proprietary functions to include functions that are currently not considered proprietary; and

WHEREAS, House Bill 1476, would defeat governmental immunity by creating causes of action against local governments under the North Carolina and United States Constitutions where

none currently exist with no cap on the damages recoverable and no limitation on the type of function giving rise to the cause of action; and

WHEREAS, the effect of Senate Bill 1026, House Bill 887 and House Bill 1476 would be to increase the number of cases that will go to trial, result in fewer cases being resolved through local administrative processes, and would increase personnel costs, defense costs, and indemnity costs (*i.e.*, amounts paid towards settlements and judgments) for counties.

NOW, THEREFORE, BE IT RESOLVED, that the Chowan County Board of Commissioners opposes Senate Bill 1026, House Bill 887, and House Bill 1476 and encourages the North Carolina General Assembly to oppose their adoption.

ADOPTED this the 4th day of May, 2009.

Attorney, Courtney Hull of the Twiford Law Firm stated this resolution would waive government immunity and the County would have more choice in these matters.

Being no further discussion, Commissioner Belfield moved that the Board approve the resolution as submitted.

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

5. Board Appointment(s)

Chairman Eddy Goodwin noted the following appointment requests.

- a. The Shepard Pruden Memorial Library's Board of Trustees will have a vacancy at the end of May.

Clerk to the Board, Susanne Stallings noted the Library would submit a recommendation letter and the item may be considered at a later meeting if the Board wished to review it then..

- b. Chairman Eddy Goodwin noted that the Chowan County ABC Board will have a vacancy at the end of June. He noted the Board has received two applications for consideration.

Commissioner Alligood moved to appoint Craig Miller based on Mr. Millers qualifications and his conversations with him.

Commissioner Belfield moved to appoint Haywood Coston.

Commissioner Nixon said he felt both applicants are well qualified.

Chairman Eddy Goodwin asked for all in favor of Commissioner Alligood's motion to appoint Craig Miller, the Motion passed (4-3 Cole, Belfield and Winborne)

6. Schedule Public Hearing

Chairman Eddy Goodwin noted a recommendation on the agenda to reschedule the June 1, 2009 regular meeting of the Board of Commissioners to June 8, 2009 at a place to be determined, due to facility availability.

Commissioner Alligood moved to reschedule the meeting and after Board deliberation, withdrew his motion.

Commissioner Cole moved to have a public hearing in late May with a date to be announced and advertised as required.

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

Chairman Eddy Goodwin then noted that it is recommended that the Board schedule a required public hearing for the June Board meeting to close out the 2007-08 CDBG Scattered Site Housing Grant.

Commissioner Alligood moved that the Board have the required public hearing for the grant close out at the June 1st regular meeting.

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

7. Introduction

County Manager, Peter Rascoe introduced the new Information Technology Department Head, Joe Sliva to begin working on May 1, 2009. He noted the director Phyllis Cranford, will retire effective June 1, 2009.

Mr. Sliva thanked the Board and said he was excited about coming back to work for Chowan County.

8. EMS Annual Report

Public Safety Director Doug Belch provided the Board with a departmental annual report for the Emergency Services Department. (A copy of the report is in the meeting file labeled May 4, 2009 Chowan County Board of Commissioners meeting.)

9. Internal Committee Reports

Chairman Eddy Goodwin noted there were no internal committee meetings to report.

10. External Board/Committee Reports

Chairman Eddy Goodwin then asked the Board members to report on the activities of the external boards to which they have been appointed.

Commissioner Cole reported that the ethics training of COA was very helpful.

Commissioner Belfield reported on the activities of the ARHS Executive and full Board meetings, the Albemarle Commission RPO and the Inter Agency Council.

Commissioner Winborne reported on the activities of the ECDC Board noting that new jobs have been created with the expansion of Mi-tek.

Mr. Rascoe reported that the NE Albemarle Group Health plan Board met and the costs of the premiums will increase some but other options will be less expensive or remain the same for employees.

11. Finance Officer Report

Finance Officer Lisa Jones provided the financial reports for the month of March. (A copy of the presentation is in the file labeled May 4, 2009 Chowan County Board of Commissioners Meeting). She noted cash balance of \$186,414 as of March 31, 2009 an investment balance of \$2,624,020. She highlighted the departmental budget for the EMS department in her report also.

Commissioners Kenny Goodwin and Vice Chairman Winborne asked if actual bank statements could be provided to the Board.

Ms. Jones said yes.

Chairman Goodwin asked for clarification that all reserve funds require Board action to spend them.

Mr. Rascoe said yes.

12. Tax Collector Report

Mr. Rascoe provided the Tax Collector's Report (a copy of the report is in the meeting file labeled May 4, 2009 Chowan County Board of Commissioners meeting).

13. Manager's Report

County Manager Peter Rascoe provided the Manager's report noting the following, Chowan County has been asked to provide a lease proposal for the VA Clinic. He noted an invitation to attend the ribbon cutting of the Tyner clinic on May 14th. Mr. Rascoe provided the Board with the FY 2009-10 Budget proposal with various scenarios. He read the following budget message into the record.

FY 2009-10 Budget Message:

This budget message accompanies the recommended budget (with different funding scenarios for consideration) for Fiscal Year (FY) 2009-2010, as required by North Carolina General Statute §159-11(b). Pursuant to state law, the County Manager serves as the Budget Officer for the County. State law also requires that I submit to the Board of Commissioners a recommended balanced budget to be considered, amended, stricken, or even re-written before final adoption by the Board. The Board of Commissioners is required to adopt a balanced budget from which the County is to operate for the upcoming fiscal year beginning July 1, 2009.

Having been appointed Chowan County Manager by the Board of Commissioners on June 16, 2008, my tenure has been marked by challenges dealing strictly with fiscal matters. This has been due to the facts of (1) the June 17, 2008 realization that the County had insufficient cash-flow and reserves on-hand to meet its then immediate pending expenses, and (2) the onset of a national economic crisis in September 2008 which has now significantly impacted at least two the County's major sources of revenues, the land-transfer tax and the sales tax. An investigation into the County's financial affairs conducted in July 2009 by officials from the North Carolina Local Government Commission confirmed that the County's budget adopted June 16, 2008 and several prior years' budgets were significantly unbalanced due to the projection of unrealistic and excessive revenue projections. The adoption of these unrealistic projections for prior fiscal years

resulted in the County utilizing sources of reserves to keep those annual budgets balanced during each fiscal year. Without reserves to cover similar shortfalls for the 2008-2009 fiscal year, Chowan County was directed by the Local Government Commission to amend its current budget to reflect realistic revenues and to adopt an increased tax rate if necessary in order to fund the realistic operational expenses. Accordingly, the Board of Commissioners did amend the FY 2008-2009 on August 14, 2009 which resulted in large reductions in operational costs as well as producing funding in the form of a property tax increase of .09 for every \$100 of taxable property value. And due to the changing economic conditions resulting in subsequent decreased budgeted revenues, the Board has subsequently amended the current year's budget several times to insure that it remains balanced as required by law. Notwithstanding the current year's amended budget, the County has continued to provide services, although in an extremely economical manner.

Currently, in planning for fiscal year 2009-2010, Chowan County again faces tough economic times which are affecting the major revenue streams relied on to provide the numerous services which the public has benefited from for some time. Due to the current trends in sales tax returns to the County, a thirty (30%) percent reduction in revenues from that source is projected for next year. Similarly, due to the current trends in the actual sales of real estate in the County, a fifty (50%) percent reduction in revenues from that source is projected for next year. Although the rate of property tax collections during FY 08-09 was consistent with prior years, slow growth due to economic conditions will dictate a lower increase of taxable property value this upcoming year. There has been some growth of taxable property, but the gain has been offset by statutory exemptions or other legal taxing limitations available to seniors for homestead exemptions, disabled veterans, and medium-income housing developments.

On the expense side of current budget planning, Chowan County faces new debt service payments this upcoming year for the construction of its new Shepard-Pruden Memorial Library addition and it's new Chowan County Public Safety Center which houses all public safety operations as well as the Edenton Police Department. The County also faces overall significant increased costs to provide all current services, including increased costs due to changes in state requirements for mandated social service operations. Due to all the financial conditions affecting Chowan County, realistic projected revenues for upcoming FY 09/10 do not currently equal or exceed the projected realistic expenses projected to be necessary to provide the services which have been traditionally realized by the citizens of the County. A projected budget shortfall of revenues to expenses is prevalent in most if not all counties of North Carolina this year. Based on the current conditions and without an ample reserve upon which to cover the remaining expenses for services, Chowan County must balance the general fund budget either by reductions-or total divestments-of expenses for services, or by covering the revenue shortfall by increasing the property tax rate, or by a combination of both efforts. The recommended budget for the general fund operations which I am submitting contains five different balanced-budget scenarios for the Board's consideration. None of these scenarios assumes any contribution from the County's small remaining reserves. The recommended scenarios include any cost-reduction policies previously adopted by the Board, and show different levels of funding sources and certain levels of services reductions (or divestitures). Each of the scenarios also takes into account concerns which have generally been discussed by individual Commissioners during the Board's budget planning session and previous Finance Committee meetings.

Each of the other County funds, which include the funds maintained for various enterprises and capital reserve projects, are recommended as balanced considering the applicable revenues reasonably expected to be received. In order to continue self-sustaining operations for the solid waste, water, and water development enterprise operations, the recommended budgets for those enterprise funds contain recommendations for current fee increases. By increasing the fees to cover

these funds' expenses, that action assures that the County's General Fund will not have to be relied on to cover shortfalls in those enterprise operations during next fiscal year.

I remain optimistic and hopeful, notwithstanding the current trends, that Chowan County will experience economic growth during the upcoming fiscal year. Such a change in current conditions would take pressure off of the County's strained financial condition and allow for the restoration of normal operations and services delivery.

Mr. Rascoe stated the budget proposal would be online the following morning and available for public inspection in the Clerk's office.

Commissioner Kenny Goodwin stated that he was not happy with various scenarios including tax increases because he felt the general consensus of the Board requested no increase.

Mr. Rascoe stated that no vote or policy had been given to him by the Board that directed for no tax increase.

Commissioner Alligood said he wanted to see options for the budget proposal.

Commissioner Nixon said he felt that the Board schedule a work session to begin studying the budget and develop policy.

Commissioner Cole moved that the Board study the proposals and schedule workshop meetings later.

Chairman Eddy Goodwin asked for all in favor, the motion passed (5-2 K. Goodwin & E. Goodwin).

14. Timely and Important Matters

Citizen Rich Halbert stated he wanted the reports printed and made available to the public at each meeting. He also asked that the tax collector report be put on the screen for the public to view.

Mr. Rascoe noted that the high bidder on 306 Indian Trail was \$2,000.

Clerk to the Board Susanne Stallings provided a history on the bid process noting that several bidders withdrew their bids after learning from Environmental Health that the property as is, would not be a buildable lot. She stated the bidder is an adjoining property owner that wishes to add the lot to her current property. She stated the bidding has been going on since November 2008.

Commissioner Alligood moved to accept the bid offer.

Vice Chairman Winborne said that he felt the Board should only accept the tax value on the property since that was what is being asked for the other properties for sale.

Chairman Eddy Goodwin asked for all in favor, the motion passed (4-3 K. Goodwin, Winborne, E. Goodwin).

Being no further business, the regular meeting was adjourned.

Eddy Goodwin
Chairman

L. Susanne Stallings
Clerk to the Board

(SEAL)

Chowan County Board of Equalization and Review
Meeting
Monday May 4, 2009
Chowan County 1767 Courthouse
East King Street

AGENDA

Present, Chairman Eddy Goodwin, Vice Chairman Emmett Winborne, Commissioner Jimmy Alligood, Commissioner Louis Belfield, Commissioner Kenny Goodwin, Commissioner Ralph Cole and Commissioner Keith Nixon. Staff Present: County Manager Peter Rascoe and Clerk to the Board Susanne Stallings. Listing Tax Clerks Rena Skinner and Teresa Johnson were also present.

Clerk to the Board, Susanne Stallings administered the oath to the Commissioners as members of the Board of Equalization and Review.

Peter Rascoe provided the Board with the duties of the Board of Equalization and Review and then stated that there were no formal appeals at the current time.

Being no further business, the regular meeting was adjourned.

Eddy Goodwin
Chairman

L. Susanne Stallings
Clerk to the Board