

**Chowan County Board of Commissioners**  
**Regular Meeting**  
**Monday, February 19, 2024**  
**Chowan County Public Safety Center**  
**305 West Freemason Street**  
**6:00pm**

*This meeting was recorded. A copy of the recording is in the meeting file labeled February 19, 2024.*

Present: Chair Bob Kirby, Commissioners, Ron Cummings, Alex Kehayes, Ellis Lawrence, Tray Taylor, Larry McLaughlin and Chris Evans.

Staff present County Manager Kevin Howard and Finance Officer Cathy Smith

Board Clerk Susanne Stallings was absent. Finance Officer Cathy Smith served as Clerk for the meeting.

**Regular Meeting**

Chair Kirby called the regular meeting to order and led in the pledge.

Commissioner Cummings then offered the invocation.

**Approval of Agenda**

Commissioner Cummings moved to approve the agenda as presented.

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

**Public Comment**

Chair Kirby opened the floor for public comment.

There was none.

**Consent Agenda**

All items on the Consent Agenda are considered to be routine and may be enacted by one motion. If a County Commissioner requests discussion on an item, the item will be removed from the Consent Agenda and considered separately.

**Minutes**

The Board will review and consider approval of the February 5, 2024 Regular and Special Meetings.

Commissioner Cummings moved to approve the consent agenda as presented. Chair Kirby asked for all in favor, the motion passed unanimously (7-0).

### **Jail Southern Health Contract**

Sheriff Edward Basnight presented the Board with an updated contract with Southern Health Partners for jail inmate medical services. He stated that the increase requested in the contract is the standard increase.

Commissioner McLaughlin asked for clarification on what services are provided.

Sheriff Basnight stated that Southern Health provides a Nurse and Doctor to allow inmates to have their health assessed to determine that needed medication are given. He stated they also provide Pharmacy and bill review when inmates have to be sent to the Hospital.

Commissioner McLaughlin noted that the monies for emergency care seems low.

Sheriff Basnight noted that he would like to have these services available 24/7 however there is not a need. He stated that when emergencies arrive the inmates are taken to the hospital.

Commissioner McLaughlin moved to approve the contract as presented.

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

### **Center Hill Crossroads Fire Department Truck Purchase**

Mr. Howard stated that Center Hill Crossroads Fire Department has provided an invoice for the purchase of a 2024 Pumper/Tanker truck in the amount of \$437,268. He noted that staff has provided the Board with a Budget Amendment to utilize General Fund Balance for the purchase of the truck and a reimbursement resolution which will allow the Fire Fund to reimburse the General Fund over a period of five years at an interest rate of 4.66%.

Ms. Smith noted that there is a reimbursement resolution that states the terms of the reimbursement. She noted it is recommended to charge interest but not required.

Commissioner Kehayes asked about the interest.

Mr. Howard stated that the County is required to charge interest when a fund loans money to another. He stated this interest amount is customary however the Board could set it as they wish.

Commissioner Lawrence asked if the price included interest.

Mr. Howard stated the total cost is \$498,398.07.

Commissioner Lawrence and Commissioner Kehayes asked why the County would charge itself interest.

Ms. Smith stated this is a loan from the General Fund to the Fire Fund.

Chair Kirby noted that while Town residents pay County taxes, they typically would not benefit from the purchase of this truck. This is one reason the County would charge interest to this fund. He noted that Town residents are not paying the fire tax to the County.

Commissioner Lawrence asked what would happen if the County did not charge interest.

Ms. Smith stated nothing would happen.

Commissioner Lawrence stated he did not know if he agreed with charging the interest however he would support the resolution as presented.

Commissioner Kehayes agreed with Commissioner Lawrence.

Commissioner Kehayes moved to accept the reimbursement resolution as presented. Chair Kirby asked for all in favor, the motion passed unanimously (7-0).

**Chowan County**  
**Resolution Authorizing an Interfund Loan from the General Fund to the Fire Fund**

Whereas the Chowan County Fire Fund was established as a fund to operate and provide fire protection services to the citizens of Chowan County, and

Whereas for the fiscal year ending June 30, 2023 the fund balance in the Fire Fund was \$514,621.86; and

Whereas the Fire Fund desires to purchase a 2024 International Pierce Pumper/Tanker; and

Whereas the cost of the 2024 International Pierce Pumper/Tanker is \$437,268.00; and

Whereas the Chowan County Board of Commissioners desires to make a loan from the General Fund to the Fire Fund in the amount of \$437,268.00 at an interest rate of 4.66%; and

Whereas the Fire Fund will reimburse the General Fund total principal of \$437,268.00 and interest of \$61,130.07 over five years pursuant to an amortization schedule; and

Whereas it is the intent of this Resolution that the General Fund recover only the initial amount of the loan plus interest of 4.66%, for total reimbursement of \$498,398.07. Once repayment has been made in full, payment from the Fire Fund to the General Fund shall immediately cease. Now Therefore, the Chowan County Board of Commissioners does hereby authorize and direct the transfer of \$437,268.00 from the General Fund to the Fire Fund. The Chowan County Board of Commissioners does further authorize and direct the repayment from the Fire Fund to the General Fund as listed in the amortization schedule below. The Budget Officer is hereby directed to include an appropriation for repayment in the next five annual proposed budgets of the Fire Fund.

Date	Payment	Interest	Principal	Balance
2/19/2025	107,830.29	20,376.69	87,453.60	349,814.40
2/19/2026	103,754.95	16,301.35	87,453.60	262,360.80
2/19/2027	99,679.61	12,226.01	87,453.60	174,907.20
2/19/2028	95,604.28	8,150.68	87,453.60	87,453.60
2/19/2029	91,528.94	4,075.34	87,453.60	-
<b>Total</b>	<b>498,398.07</b>	<b>61,130.07</b>	<b>437,268.00</b>	

**Perquimans County Communications Tower**

Mr. Howard stated that Chowan is a member of the PCG Landfill. He stated that Perquimans County wishes to construct a communications tower at the PCG Landfill Transfer Station site located off of Perry’s Bridge Road. In order to construct the tower at the site both Gates and Chowan County are asked to approve the subdivision of a 26,118.55 square foot parcel where the tower and equipment will be located. A copy of the plat and proposed equipment are included in the Board’s packet. He stated this lease is \$1 per year. He stated all three counties will benefit from the location of this tower as Viper will be installed on the tower.

Commissioner McLaughlin asked if there are any additional costs for this lease.

Mr. Howard stated that no additional costs are known.

Commissioner Lawrence moved to approve the lease as presented. Chair Kirby asked for all in favor, the motion passed unanimously (7-0).

**Audit Contract**

Ms. Smith noted that the Board is asked consider approval of the audit contract with Thompson, Price, Scott, Adams & Co., P.A. (TPSA) for 2024. This is the 2<sup>nd</sup> year of the 3 year contract. She stated that the LGC requires annual approval of the contract.

Commissioner McLaughlin moved to approve the contract as presented. Chair Kirby asked for all in favor, the motion passed unanimously (7-0).

**Annual Report – Soil and Water Conservation**

Jacob Peele and Celeste Maus provided the Board with the annual report from Soil and Water Conservation. A copy of the PowerPoint presentation is in the meeting file labeled February 19, 2024.

**McGuire Wood Contract**

Mr. Howard presented the Board with a contract with McGuire Wood, who will serve as bond counsel for the Recreation Bond Referendum project. He noted that the Board approved their bid for services and this is a request to approve the contract. He noted there is a timeline for the bond included in the Board packets as FYI.

Commissioner McLaughlin asked if the items that the County wishes to do would be on the referendum.

Mr. Howard stated that information will be put out to the public on what is included in the bond however what goes on the ballot has to be concise. He discussed a phased approach could be done for the projects.

Commissioner McLaughlin asked if the project is phased would there be additional cost or debt incurred.

Mr. Howard stated that the project cost would be over estimated and the tax rate needed may vary. He stated that the Board will be able to decide how much they want to borrow, there is no requirement to borrow the full amount.

Commissioner Evans moved to approve the contract as presented. Chair Kirby asked for all in favor, the motion passed unanimously (7-0).

### **Appointments**

#### **Chowan County Planning Board**

Matt Floyd (Area A) and Brian Ward (Move to Area B due to relocation) are eligible for and requesting reappointment.

Commissioner Taylor moved to reappoint Mr. Floyd and Mr. Ward.

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

### **Financial Items**

Ms. Smith presented the following:

- a. 2024 Budget Amendments  
2024-044

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
<b>Capital Projects</b>			
32-3810-033-00	Transfer from Capital Reserve	52,500.00	
32-8100-445-00	Recreation - 2024 Bond Referendum		52,500.00
<b>Capital Reserve</b>			
33-3990-990-00	Fund Balance Appropriation	52,500.00	
33-9800-980-32	Transfer to Capital Projects		52,500.00
	Balanced	105,000.00	105,000.00
<b>Justification:</b>			
<p><i>To amend the 2024 budget to include Bond Counsel for the Recreation Bond Referendum. Proposal from McGuire Woods in the amount of \$52,500 was approved by the BOC on 02/05/24.</i></p>			

2024-045

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
<b>Fire Districts</b>			
23-3990-990-00	Fund Balance Appropriation	25,000.00	
23-4340-351-00	Building Repairs		25,000.00
	Balanced	25,000.00	25,000.00
<b>Justification:</b>			
<p><i>To amend the 2024 budget for the Fire Districts Fund to include building repairs to the EMS Unit 3 Station. Request for repairs was approved by BOC on 02/05/24.</i></p>			

2024-046

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
<b>Capital Projects</b>			
32-3810-033-00	Transfer from Capital Reserve	39,875.00	
32-8100-601-00	Jail Improvements		39,875.00
<b>Capital Reserve</b>			
33-3990-990-00	Fund Balance Appropriation	39,875.00	
33-9800-980-32	Transfer to Capital Projects		39,875.00
	Balanced	79,750.00	79,750.00
<b>Justification:</b>			
	<p><i>To amend the 2024 budget to include Needs Assessment Study for the Chowan County Detention Center. Proposal from Moseley Architects in the amount of \$39,875 was approved by the BOC on 02/05/24.</i></p>		

2024-047

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
<b>JAHHS Project Fund</b>			
45-3980-980-11	Contribution from General Fund	500.00	
45-3811-364-00	Rural Development (USDA) Loan	9,999,500.00	
45-5913-191-00	Architect - Basic Services		(305,411.10)
45-5913-191-01	Architect - Additional Services		5,618.75
45-5913-191-02	Architect - Reimbursable Expenses		267.35
45-5913-192-00	Prof Serv - Consultant		(567,100.40)
45-5913-192-01	Appraisal Fee		9,500.00
45-5913-192-02	Inspections		510,464.00
45-5913-192-03	Feasibility Report		6,000.00
45-5913-193-00	Preconstruction Fee & General Conditions		(3,361,179.08)
45-5913-194-00	Closing Costs - Construction Loan		103,914.44
45-5913-194-01	Closing Costs - Permanent Loan		50,000.00
45-5913-195-00	Phase 1 - Abatement & Utility Work		471,402.00
45-5913-199-00	Legal Services		(200,000.00)
45-5913-370-00	Advertising		4,629.25
45-5913-441-00	Phase 2 - Construction Costs		9,590,441.00
45-5913-510-00	Equipment - FF&E		(1,000,000.00)
45-5913-720-00	Construction Loan Interest		950,000.00
45-5913-520-00	Technology		1,000,000.00
45-5913-998-00	Other - Miscellaneous		47,775.48
45-5913-999-00	Contingency		2,683,678.31
	Balanced	10,000,000.00	10,000,000.00
<b>Justification:</b>			
<p><i>To amend the 2024 budget for JAHHS Fund to include additional USDA funding. Budgeted expenditures are being adjusted to agree with updated project budget.</i></p>			

2024-048



Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
<b>Register of Deeds</b>			
11-3418-415-00	*Preservation/Automation	640.99	
11-4180-298-00	*Dept Supplies - Auto/Pres		213.66
11-4180-440-00	*Contr Svcs - Automation/Pres		213.66
11-4180-511-00	*C/O - Auto / Pres		213.67
<b>Sheriff's Office</b>			
11-3431-232-00	*Sheriff Donations	730.00	
11-4317-440-00	*Donation - Expense		730.00
11-3431-240-00	*Project Lifesaver	325.00	
11-4317-298-00	*Project Lifesaver		325.00
<b>Animal Shelter</b>			
11-3438-894-00	*Donations - Chowan	1,883.00	
11-3438-894-01	*Donations - Gates	242.25	
11-3438-894-02	*Donations - Perquimans	925.00	
11-3438-894-03	*Donations - Other	1,515.00	
11-4381-600-00	*Donation - Expense		4,565.25
11-3438-895-00	*Adoption - Chowan	1,060.00	
11-3438-895-02	*Adoption - Perquimans	250.00	
11-3438-895-03	*Adoption - Other	650.00	
11-4381-441-00	*Contr Svcs - Spay/Neuter		1,960.00
<b>Cooperative Ext:</b>			
11-3495-370-00	*AG Program Fees Discretionary	1,291.03	
11-4953-440-00	*Ag Program Fees Discretionary		1,291.03
11-3495-378-00	*4-H Fees Discretionary	887.28	
11-4953-448-00	*4-H Fees Discretionary		887.28
<b>Senior Center</b>			
11-3616-533-00	*Reg Fees - Trips	18,409.00	
11-4268-312-00	*TRIPS - Senior Citizens		18,409.00
11-3616-533-01	*Registration Fees Activities	249.00	
11-4268-299-01	*Activities - Dept. Supplies		249.00
11-3616-535-04	*Silver Sneakers	651.00	
11-3616-535-05	*Silver & Fit	108.00	
11-3616-535-06	*Renew Active	240.00	
11-4268-352-02	*Healthways		999.00
<b>DSS</b>			
12-3531-230-14	*DSS Special Events	295.00	
12-5310-450-00	*DSS Special Events		295.00
	Balanced	30,351.55	30,351.55
	<b>Total Discretionary Income Received FYE 2024</b>	<b>257,373.22</b>	
<b>Justification:</b>			
	<i>To amend the 2024 budget to include Discretionary income for January 2024.</i>		

2024-049

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
<b>Fire Districts</b>			
23-3982-011-00	Transfer from General Fund	437,268.00	
23-4340-550-00	Capital Outlay - Vehicles		437,268.00
<b>General Fund</b>			
11-3990-990-00	Fund Balance Appropriated	437,268.00	
11-9800-980-23	Transfer to Fire Fund		437,268.00
	Balanced	874,536.00	874,536.00
<b>Justification:</b>			
<i>To amend the 2024 budget to include purchase of 2024 International Pierce Pumper fire truck. Truck will be purchased with loan from the General Fund to be reimbursed by the Fire Fund over a five-year period.</i>			

Chair Kirby asked about the budget amendment for the high school project. He stated this money was not to be spent until the end of the loan.

Ms. Smith stated these funds are not to be spent however the monies should be reflected in the school budget and the County budget.

Chair Kirby asked if the County is obligated to budget the monies for the referendum.

Ms. Smith stated this is easier to track in the budget.

Chair Kirby asked if the bond does not pass would the monies be moved back.

Ms. Smith stated that it would be liquidated at the end of the year if the bond did not pass.

Commissioner Cummings moved to approve the budget amendments as presented. Chair Kirby asked for all in favor, the motion passed unanimously (7-0).

**External Board/Committee Report**

Commissioner Kehayes noted that DSS will be requesting funding at a later date for positions (\$75,000).

Chair Kirby reported on the Albemarle Commission Board meeting.

## **Manager's Report**

County Manager Kevin Howard updated the Board on the following:

- PCG Landfill Board may be bringing a funding request repairs at the Soundside convenience site and that was put on hold because of repairs at the transfer station. Recycling of cooking oil will be discontinued.

Chair Kirby asked about the status of the Rockyhock fire substation. Mr. Howard stated that heaters for the bay were delayed and that should be operational at the end of the month. He stated he will ask the Fire Chief for confirmation when the substation is operational.

## **Timely and Important Matters**

### **Retreat**

Commissioner Kehayes asked about the date of the retreat.

Ms. Smith noted it would be March 20<sup>th</sup>.

Commissioner Kehayes asked where it would be.

Chair Kirby noted it would be at the Northern Chowan Community Center.

Commissioner Kehayes stated he would like to consider another location in the future.

### **Verizon Tower**

Commissioner Evans asked about the status of the Verizon tower at the airport.

Mr. Howard stated he has reached out twice since November with no response. He stated staff is trying to find out the status of this project.

## **Adjourn**

Being no further business Commissioner McLaughlin moved that the meeting be adjourned.

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

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Bob Kirby, Chairman

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Cathy Smith, Acting Clerk