

Regular Meeting
Monday, June 3, 2019
6:00pm
Chowan County Public Safety Center
305 West Freemason St.
Edenton, NC

This meeting was recorded. A copy of the recording is in the meeting file labeled June 3, 2019.

Present Chair Patti Kersey, Commissioners Greg Bonner, Ron Cummings, Don Faircloth, Larry McLaughlin, Bob Kirby and Ellis Lawrence

Staff present County Manager Kevin Howard, Finance Officer Cathy Smith, Board Clerk Susanne Stallings and County Attorney Lauren Arizaga-Womble.

Regular Meeting

Chair Kersey called the regular meeting to order and led all in the pledge of allegiance, she then provided the invocation.

Approval of Draft Agenda

Ms. Stallings noted that BA1819-072 has been placed before the Board for their consideration.

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

Public Comment

Chair Kersey opened the floor for public comment.

There was none.

Consent Agenda

a. **Minutes**

Minutes of May 6, 2019 meeting

Commissioner Faircloth moved to approve the minutes as presented. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

Budget Amendments

Attached to this agenda packet are the following budget amendments for the Board's review and consideration:

BA-1819-070

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Water Department			
61-7120-351-00	Maintenance & Repairs - Building		39,650.00
61-7120-599-00	Capital Outlay - Other Improvements		(39,650.00)
	Balanced	-	-
Justification:			
<i>To amend the 2019 budget to cover the Greenhall Road water main repair. The repair was approved by BOCC at the 03/18/19 meeting.</i>			

BA-1819-071

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Recreation			
11-3612-486-00	After School Plus Program	5,550.00	
11-6131-126-00	Salaries - PT		1,840.00
11-6131-181-00	FICA		93.00
11-6131-221-00	Food & Provisions		875.00
11-6131-231-00	Educational Supplies		1,077.00
11-6131-261-00	Office Supplies		550.00
11-6131-291-00	Program Support		315.00
11-6131-311-00	Travel		800.00
	Balanced	5,550.00	5,550.00
Justification:			
<i>To amend 2019 budget to include additional funding from JCPC for the After-School Plus Program.</i>			

BA-1819-072

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Social Services			
12-5310-121-00	Salaries - Regular		(20,000.00)
12-5310-199-00	Professional Services		20,000.00
	Balanced	-	-
Justification:			
<i>To amend the 2019 budget to cover additional Vanguard services while department is not fully staffed. Monies are being transferred between line items.</i>			

Finance Officer Cathy Smith presented the budget amendments.

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

Tax Refund

Mr. Howard presented the Board with a tax refund to Mike and Jan Layton due to a clerical error indicating they had finished/heated attic space when in fact it is unfinished. This resulted in a value reduction for the years 2014-2018 totaling a refund of \$645.24. He noted that documentation showing the error has been provided to the Board. Additionally he noted the taxpayer is only eligible for a refund for the past five years per statute.

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

DSS Items

Contract

DSS Director Christine Dowdell provided the Board with a request to enter into a contract with Rawles & Associates for the completion of Parent Capacity Evaluations for the parents of youth who are in custody of Chowan County. She noted that NCDHHS has allocated funds in the amount of \$5,452 this fiscal year which will be used to pay for the cost of the evaluation. She stated this contract is used for parent evaluations of children in the custody of Chowan but could be used as needed.

Chair Kersey asked if this was the same contract used in 2014.

Ms. Dowdell stated that it is. She stated the contract should be renewed annually so that there are monies to cover this fiscal year as well as next year. She noted if the funds are not used they will be lost.

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

Medicaid Transformation

DSS Director Christine Dowdell and staff Juanita James provided the Board with a PowerPoint presentation on Medicaid Transformation and the impact on Chowan County residents. A copy of the PowerPoint presentation is in the meeting file labeled June 3, 2019.

Commissioner Cummings discussed the impact of expanded changes on current services and coverage mandates for illegal immigrants.

Chair Kersey discussed that other regions will change over before Chowan County.

Ms. Dowdell stated yes Regions 2 and 4 will change over first. She noted that she and her staff are attending meetings and trying to stay on top of the concerns statewide. She noted that the biggest concern she has right now is that Chowan does not have the staff to assist the clients with selection of providers. She added there is not the space in the building to have a kiosk from the state in their building.

Ms. James discussed determination of coverage. She noted that currently DSS assists the clients with transportation but that will no longer be handled that way. She stated the provider will arrange transportation. She stated they will continue the services for the children as well as the adults currently in custody of the County.

Commissioner Kirby discussed identification requirements and fraud concerns for the Medicaid card.

Ms. Dowdell noted the client has to show identification at the provider.

Chair Kersey thanked Ms. Dowdell for the information.

Chair Kersey called for a five minute break. After five minutes she called the meeting back to order.

Public Hearing FY 2019-20 Proposed Budget

Chair Kersey noted the Board will open the Public Hearing to receive comment on the proposed FY 2019-20 Chowan County Budget. Budget materials are available for public inspection on the Chowan County website, the office of the County Manager and the Shepard Pruden Memorial Library.

Commissioner Bonner moved to open the floor for the public hearing. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

Dr. Rob Jackson 9 Old Fish Hatchery Road Edenton, NC stated his concern over level funding in the proposed School current expense budget. He stated that following the previous FY budget the school system received a bill from the County for the cost of the SRO which had increased. He stated the additional revenues that were budgeted by the County were used to pay for the increased SRO expense. He provided the Board with two handouts. A copy of the handout is in the meeting file labeled June 3, 2019. He noted that there has not been a significant increase in

current expense funding. He stated that while the County grown its fund balance and budget the school current expense has not grown. He asked that the Board consider “is this adequate” in considering the schools request for FY 2019-20.

Chair Kersey asked for any further public comment, there was none.

Commissioner Cummings moved to close the public hearing. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

FY 2019-20 Budget Ordinance

The Board may consider formally adopting the Budget Ordinance which reflects all adjustments made by the Board during budget planning.

Chair Kersey noted that in previous workshops the Board was able to get the budget down to a zero tax increase. She noted at the last meeting the Board considered at the last budget meeting and decided to fund a COLA (Cost of Living Adjustment) for County employees and decided to address changes at EMS with the loss of additional coverage at Unit 3. She noted that the budget now includes a 1 cent tax increase.

Mr. Howard noted the proposed budget includes a fund balance appropriation of \$631,837.

Chair Kersey asked about the fund balance percentage.

Ms. Smith noted that unused is 26% if the fund balance if unspent and 23% if spent.

Mr. Howard stated he will work to ensure that he will try to not spend this if possible.

Chair Kersey noted the following:

- Staffing needs to be watched with revenues going to fund fixed costs
- It is important to recruit and retain the best employees and be competitive with salaries so that employees know they are appreciated, understanding the County cannot compete with salaries in Dare and Currituck Counties.
- A creative approach to fill positions that have employees retiring.
- The CIP committee needs to meet at least 2 to 3 times per year before the budget workshop to look at capital requests both above and below the \$50,000 threshold.

Commissioner McLaughlin stated his first budget was a learning experience. He stated spending impacts future children and grandchildren. He noted that there is debt service that will soon be paid off. He stated that County has to prepare now as there are discussions regarding the high school coming up.

Commissioner Bonner stated he appreciated the work of staff and stated he felt the Board did the best for its citizens. He stated that moving forward and remaining competitive comes with a cost.

Commissioner Kirby stated he hates tax increases however the Board put the budget through the ringer. He stated the Board has to consider what is fair to the citizens as well as employees. He stated the 1 cent increase now will keep the county competitive. He stated the investment in the

future of the high school will show the schools the Board of Commissioners support of the schools.

Commissioner Kirby then moved to adopt the FY 2019-20 Budget and Budget Ordinance. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

Chowan County Budget Ordinance Fiscal Year 2019-2020

BE IT ORDAINED by the Board of Commissioners of Chowan County, North Carolina as follows:

Section

1.

General Fund (11):

Based on current history, the following revenues are projections and hereby appropriated in the General Fund for the county's operations and its activities for the fiscal year beginning July 1, 2019 and ending June 30, 2020, in accordance with the Chart of Accounts heretofore established in the County:

AD VALOREM TAXES:	11,250,993.00
<i>TAX PENALTY & INTEREST</i>	<i>100,000.00</i>
<i>PRIOR YEAR - R & P</i>	<i>218,500.00</i>
<i>CURRENT YEAR LEVY - R & P</i>	<i>9,936,202.00</i>
<i>CURRENT YEAR LEVY - MV</i>	<i>996,291.00</i>
SALES TAX	2,282,094.00
<i>ARTICLE 39 SALES TAX</i>	<i>1,174,933.00</i>
<i>ARTICLE 40 SALES TAX</i>	<i>756,952.00</i>
<i>ARTICLE 42 SALES TAX</i>	<i>138,500.00</i>
<i>ARTICLE 44 SALES TAX</i>	<i>211,709.00</i>
OTHER TAXES	52,000.00
PERMITS & FEES	356,011.00
DEPARTMENTAL	647,042.00
MISCELLANEOUS	600,949.00
FUND BALANCE APPROPRIATION	631,837.16
TOTAL REVENUES:	15,820,926.16

Likewise, the following expenditures are estimates for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

EDUCATION	4,350,847.00
<i>D. F. WALKER</i>	<i>21,469.00</i>
<i>FINES & FORFEITURES</i>	<i>90,000.00</i>
<i>SCHOOLS - CURRENT EXPENSE</i>	<i>3,575,000.00</i>
<i>COA - CURRENT EXPENSE</i>	<i>200,000.00</i>
<i>COA - CAPITAL OUTLAY</i>	<i>200,000.00</i>
<i>AFTER SCHOOL GRANT</i>	<i>23,890.00</i>
<i>LIBRARY</i>	<i>240,488.00</i>

GOVERNMENT	2,621,280.00
HUMAN SERVICES	1,150,797.00
OTHER	284,594.00
PUBLIC SAFETY	3,853,487.16
TRANSFER TO SOCIAL SERVICES	934,016.00
TRANSFER TO RE-VALUATION	107,700.00
TRANSFER TO DEBT SERVICE	1,479,274.00
TRANSFER TO EMS	1,038,931.00
TOTAL EXPENDITURES:	15,820,926.16

Section

2.

DSS Fund (12):

The following revenues are hereby projections and appropriated in the DSS Fund for the Department of Social Services operations for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

SOCIAL SERVICES ALLOCATIONS	1,889,700.00
TRANSFER FROM GENERAL FUND	934,016.00
TOTAL REVENUES:	2,823,716.00

Likewise, the following expenditures are estimates for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

SOCIAL SERVICES - ADMINISTRATION	1,797,831.00
SOCIAL SERVICES - PROGRAMS	1,025,885.00
TOTAL EXPENDITURES:	2,823,716.00

Section

3.

Water Development Fund (22):

The Water Development Fund revenues are hereby projections and appropriated for the future expansion of the county's Water System if needed in the fiscal year beginning July 1, 2019 and ending June 30, 2020.

EARNINGS ON INVESTMENTS	5,000.00
TOTAL REVENUES:	5,000.00

Likewise, the following expenditures are estimates for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

CAPITAL RESERVE - WATER DEV.	5,000.00
TOTAL EXPENDITURES:	5,000.00

Section

4.

Fire Districts Fund (23):

For those properties located within Chowan County Rural Fire Districts, there is hereby levied a fire tax rate of Five and one-half cents (\$.055) per one hundred dollar (\$ 100.00) value listed as of January 1 , 2019, along with the remaining revenues are projections and are hereby appropriated for the purpose of providing fire coverage:

PRIOR YEAR - R & P	4,750.00
CURRENT YEAR LEVY - R & P	478,752.00
PRIOR YEAR - MV	0.00
CURRENT YEAR LEVY - MV	51,357.00
ARTICLE 39 SALES TAX	48,955.00
ARTICLE 44 SALES TAX	15.00
EARNINGS ON INVESTMENTS	1,000.00
FUND BALANCE APPROPRIATION	131,693.00
TOTAL REVENUES:	716,522.00

Likewise, the following expenditures are estimates for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

CENTER HILL - CROSSROADS	210,349.00
EDENTON - RURAL FIRE DISTRICT	467,750.00
BELVIDERE	15,000.00
TRANSFER TO DEBT SERVICE	23,423.00
TOTAL EXPENDITURES:	716,522.00

Section

5.

EMERGENCY TELEPHONE FUND (24):

The Emergency Telephone revenues noted below are hereby appropriated for the sole purpose of providing E-911 Services in the fiscal year beginning July 1, 2019 and ending June 30, 2020:

TELEPHONE SURCHARGES	275,826.00
TOTAL REVENUES:	275,826.00

Likewise, the following expenditures are estimates for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

CENTRAL COMMUNICATIONS	275,826.00
TOTAL EXPENDITURES:	275,826.00

Section

6.

RE-VALUATION FUND (25):

In accordance with GS 105-286, the following revenues have been appropriated to fund the re-valuation in the fiscal year beginning July 1, 2019 and ending June 30, 2020:

TRANSFER FROM GENERAL FUND	107,700.00
FUND BALANCE APPROPRIATION	15,000.00
TOTAL REVENUES:	122,700.00

Likewise, the following expenditures are estimates for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

RE-VALUATION	122,700.00
TOTAL EXPENDITURES:	122,700.00

Section

7.

DEBT SERVICE FUND (30):

The following funds have be transferred to the Debt Service Fund and are hereby appropriated to meet the financial obligations of the county for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

TRANSFER FROM GENERAL FUND	1,479,274.07
TRANSFER FROM FIRE DISTRICT FUND	23,423.20
TRANSFER FROM SCHOOL CAPITAL RESERVE	582,274.27
TRANSFER FROM LOTTERY	103,573.00
TRANSFER FROM EMS FUND	66,741.76
TRANSFER FROM SOLID WASTE	100,798.00
TOTAL REVENUES:	2,356,084.30

Likewise, the following are the actual debt services payments to be made in the fiscal year beginning July 1, 2019 and ending June 30, 2020:

2005 - JAHHS RENOVATIONS - QZAB BOND	103,573.00
2012 - DF WALKER ELEMENTARY SCHOOL	582,274.27
2012 - NORTH CHOWAN COMMUNITY CENTER	193,972.95
2013 - SHEPARD PRUDEN LIBRARY TRUSTEES	137,120.00
2013 - SHEPARD PRUDEN LIBRARY	91,998.00
2012 - PUBLIC SAFETY CENTER	1,009,454.00
2012 - PSC/EOC FURNISHINGS	120,820.80
2012 - CENTER HILL FIRE TRUCKS	23,423.20
2019 - SHERIFF'S BOAT	26,706.32
2019 - EMS AMBULANCE	66,741.76
TOTAL EXPENDITURES:	2,356,084.30

Section

8.

COUNTY CAPITAL OUTLAY FUND (33):

The following revenues are based on projected land sales and are hereby appropriated in the Capital Reserve Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

LAND TRASFER TAX	300,000.00
FUND BALANCE APPROPRIATION	0.00
TOTAL REVENUES:	300,000.00

Likewise, the following expenditures are estimates of the school's capital needs and future county projects for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

TRANSFER TO SCHOOL CAPITAL OUTLAY	200,000.00
DESIGNATED FOR FUTURE NEEDS	100,000.00
TOTAL REVENUES:	300,000.00

Section

9.

SCHOOL CAPITAL OUTLAY FUND (40):

The revenues below are projections based on current fiscal year and are hereby appropriated for the school's capital needs in the fiscal year beginning July 1, 2019 and ending June 30, 2020:

ARTICLE 40 SALES TAX	274,288.00
ARTICLE 42 SALES TAX	548,575.00
TRANSFER FROM COUNTY CAPITAL RESERVE	200,000.00
FUND BALANCE APPROPRIATION	0.00
TOTAL REVENUES:	1,022,863.00

Likewise, the following are estimated expenditures for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

SCHOOL CAPITAL OUTLAY	426,561.00
DESIGNATED FOR FUTURE APPROPRIATION	14,028.00
TRANSFER TO DEBT SERVICE	582,274.00
TOTAL EXPENDITURES:	1,022,863.00

Section 10.

SCHOOL LOTTERY FUND (49):

The revenues below are projections based on current fiscal year and are hereby appropriated for the school's capital needs in the fiscal year beginning July 1, 2019 and ending June 30, 2020:

ESTIMATED LOTTERY PROCEEDS	103,573.00
TOTAL REVENUES:	103,573.00

Likewise, the following are estimated expenditures for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

TRANSFER TO DEBT SERVICE	103,573.00
TOTAL EXPENDITURES:	103,573.00

Section 11.

TOURISM DEVELOPMENT FUND (51):

Upon recommendation from the Tourism Development Authority, the following revenues are hereby appropriated for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

OCCUPANCY TAX	162,532.00
TOTAL REVENUES:	162,532.00

Likewise, the following is a estimate of operational costs for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

TDA ADMINISTRATION / OPERATIONS	162,532.00
TOTAL EXPENDITURES:	162,532.00

Section 12.

EMERGENCY MEDICAL SERVICES FUND (60):

Based on the medical services needs of the county, the revenues listed below are hereby appropriated for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

AMBULANCE SERVICE FEES	800,000.00
MEDICAID STATE SETTLEMENT	100,000.00
TRANSFER FROM GENERAL FUND	1,038,931.00
TOTAL REVENUES:	1,938,931.00

Likewise, the following is a estimate of operational costs for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

EMS ADMINISTRATION / OPERATIONS	1,866,806.00
RESCUE SQUAD	5,383.00
TRANSFER TO DEBT SERVICE	66,742.00
TOTAL EXPENDITURES:	1,938,931.00

Section 13.

WATER FUND (61):

Based on the current Water System Operations , the revenues listed below are hereby appropriated for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

UTILITIES CHARGES	1,575,000.00
TAP & CONNECTION FEES	15,000.00
RECONNECTION FEES	45,000.00
MISCELLANEOUS	18,800.00
FUND BALANCE APPROPRIATION	120,032.00
TOTAL REVENUES:	1,773,832.00

Likewise, this is the anticipated cost for operating the county's Water System for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

WATER SYSTEM OPERATIONS	1,773,832.00
TOTAL EXPENDITURES:	1,773,832.00

Section 14.

SOLID WASTE FUND (62):

The following revenues are based on anticipated grants and Solid Waste fees of \$14.00 per month and are hereby appropriated for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

TIPPING FEES	1,035,000.00
SOLID WASTE DISPOSAL	8,000.00
FUND BALANCE APPROPRIATION	159,098.00
TOTAL REVENUES:	1,202,098.00

Likewise, the following is the estimated cost for the program for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

OPERATIONS	1,101,300.00
TRANSFER TO DEBT SERVICE	100,798.00
TOTAL EXPENDITURES:	1,202,098.00

Section 15.

AGENCY FUNDS (73, 75 & 76):

These funds act as a simple pass-through, where the County collects revenues for an outside source. The Tax Department collects monies owed to the Town of Edenton (*Fund 73*), the North Carolina Department of Motor Vehicles (*Fund 75*) and various Drainage Districts (*Fund 76*). Once collected, the revenues are then redirected to the appropriate agency for their specific use.

Section 16.

TAX LEVY:

There is hereby levied a tax rate of SEVENTY-FIVE AND ONE-HALF cents (\$.755) per one hundred dollar (\$100.00) value on Real & Personal Property and Motor Vehicles listed as of January 1, 2019 for the purpose of generating the revenues included in Section 1 of this ordinance under the subheading of Ad Valorem Taxes:

Real & Personal Property:

ASSESSED REAL PROPERTY	1,187,001,227.00
ASSESSED PERSONAL PROPERTY	141,647,901.00
TOTAL ASSESSED VALUES	1,328,649,128.00
<i>plus:</i>	
<i>PUBLIC UTILITIES</i>	33,146,837.00
<i>minus:</i>	
<i>EXEMPT PROPERTIES</i>	(30,162,628.00)
ADJUSTED TOTAL ASSESSED VALUES	1,331,633,337.00
	<i>divide by \$ 100.00 of value / 100</i>
Total Taxable Value	13,316,333.37
	<i>Multiple by FY '17 Collection Rate X 98.83 %</i>
Total Collectible Value	13,160,532.27
	<i>Multiple by Levied Tax Rate X 0.755</i>
TOTAL AD VALOREM TAXES ON REAL & PERSONAL PROPERTY	9,936,201.86

Motor Vehicles:

ASSESSED MOTOR VEHICLES	131,959,032.00
	<i>divide by \$ 100.00 of value / 100</i>
TOTAL TAXABLE VALUE	1,319,590.32
	<i>Multiple by FY '17 Collection Rate X 100 %</i>
TOTAL COLLECTIBLE VALUE	1,319,590.32
	<i>Multiple by Levied Tax Rate X 0.755</i>
TOTAL AD VALOREM TAXES ON MOTOR VEHICLES	996,290.69

Section 17.

FEE

S

There are hereby fees charged for the purpose of generating revenues included in Section 1, Section 12, Section 13, and Section 14 of this ordinance. Applicable fees effective July 1, 2019 are attached to this ordinance.

Section 18.

EDENTON - CHOWAN SCHOOLS:

The Edenton - Chowan Schools current expense appropriation in the amount of \$3,575,000.00 is contained within the General Fund. It is to be disbursed in one (1) monthly payment of \$297,913.00 and eleven (11) equal monthly payments of \$297,917.00.

Section 19.

LAND TRANSFER TAX:

The Land Transfer Tax collected by Chowan County shall be deposited in the County's Capital Outlay Fund and shall be used for County & Schools Capital Projects as approved by the Board of Commissioners.

Section 20.

AUTHORITIES OF THE BUDGET OFFICER:

The Budget Officer (*County Manager*) is hereby authorized to make budget amendments and revisions contained herein under the following conditions:

- a. Transfers between operational line item expenditures within a department without limitation. Transfers involving salary/fringe benefits line items or capital line items will require prior approval by the Board of Commissioners.
- b. Transfers up to \$ 1,000.00 between departments, including contingency appropriations within the same fund. The Budget Officer must make an official report on such transfers at the next regular meeting of the Board of Commissioners.
- c. Budget Amendments involving re-occurring Grants (*not requiring a local monetary match*) and/or Departmental Discretionary monies without limitation. For informational purposes, the Budget Officer must provide copies of such amendments to the Board of Commissioners at their next regular meeting.
- d. Transfers involving an employee choosing to receive a cellphone stipend rather than use a county cellphone. For informational purposes, the Budget Officer must provide copies of such an amendment/transfers to the Board of Commissioners at their next regular meeting.

Section 21.

DISTRIBUTION:

Copies of this Budget Ordinance shall be furnished to the County Manager, County Finance Officer, County Tax Assessor and the Board of Education for direction in the carrying out of their duties.

Section 22.

ADOPTION:

The Chowan County Board of Commissioners does hereby adopt this Budget Ordinance for the 2020 fiscal year on the 3rd day of June 2019.

Water Asset Inventory and Assessment Grant

County Manager Kevin Howard presented the Board with a resolution accepting a grant offer of \$150,000 from North Carolina Department of Environmental Quality to perform an asset inventory and assessment work. He stated the monies for the fee and matching will come from the Water Fund. He stated this survey will give the County a better idea of what it has.

Commissioner Cummings moved to approve the grant and resolution as presented. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

Resolution by Governing Body of Recipient

WHEREAS, the North Carolina General Statutes Chapter 159G has created Asset Inventory and Assessment grants to assist eligible units of government with meeting their water infrastructure needs, and

WHEREAS, the North Carolina Department of Environmental Quality has offered a State Reserve Grant in the amount of \$150,000 to perform asset inventory and assessment work, and

WHEREAS, the Chowan County Board of Commissioners intends to perform said project in accordance with the agreed scope of work,

NOW THEREFORE BE IT RESOLVED BY THE CHOWAN COUNTY BOARD OF COMMISSIONERS:

That Chowan County does hereby accept the State Reserve Grant offer of \$150,000.

That Chowan County does hereby give assurance to the North Carolina Department of Environmental Quality that any conditions or assurances contained in the award offer will be adhered to.

That County Manager Kevin Howard and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required by the Division of Water Infrastructure.

Adopted this the 3rd day of June, 2019.

Local Government Employee Retirement System (LGERS) Testing

Mr. Howard stated that Chowan County was selected by the Office of the State Auditor to participate in LGERS Testing. The County Auditors (Thompson, Price, Scott and Adams - TPSA) will charge approximately \$5,000 to complete this testing which will begin in September 2019.

Finance Officer Cathy Smith noted that she was told that smaller counties are not selected often and the larger counties are selected for this testing every couple of years.

Commissioner Kirby stated his disappointment with the mandate. He stated he has been in discussions on the matter with the County Manager, Finance Officer and County Attorney. He stated that there is legislative authority however the retirement system is under the control of the State. He stated that annually the County provides data to the State the census information and the State determines what the County owes. He stated the money goes to Raleigh. He stated he does not understand why we have to pay for an audit of something we have no control over.

Commissioner Lawrence asked what will happen if the County does not pay for the audit.

County Attorney Lauren Arizaga-Womble stated that the County is bound to comply with procedures set forth. She stated the State feels the County is ensuring that we are complying with the data given to the State. She noted that from a legal perspective the County is subject to comply with the testing.

Chair Kersey stated the Board could draft a letter to the LGC to express the County's concerns and discuss possible reimbursement.

Mr. Howard noted that this is a GASB standard to ensure pensions are solid. He noted the State looks internally then locally. He stated the State could hire an auditor to review the county's data however because they are not familiar with the books the cost may be greater to the County.

Ms. Smith noted that the County is required to have this done as a separate engagement and it cannot be done in the annual County audit.

Commissioner McLaughlin asked what power the State has to enforce this on the County.

Mr. Howard stated the County exists because the State allows it to.

Ms. Womble noted the County will have to seek financing approvals from the LGC in the future which could be problematic for the County.

Commissioner Lawrence moved to approve up to \$5,000 for the audit for LGERS testing and to approve following up with a letter or resolution from the Board.

Ms. Womble noted the Board will see a budget amendment in the future to approve the final cost of the audit (next fiscal year). She asked who the Board will want to draft the letter.

Commissioner Kirby stated he would draft the letter.

Commissioner Lawrence asked to amend his motion. He then moved to approve the contract with the auditor not to exceed \$5,000 and to authorize Commissioner Kirby to prepare a draft letter to bring back to the Board at the next meeting.

Commissioner Bonner stated he did not see the benefit of drafting a letter to the LGC on the matter.

Ms. Womble stated this may be an item to consider as a future legislative goal.

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

Board Policy

Ms. Womble stated the Board requested that the County Attorney draft a policy that addresses payment from ancillary Boards and committees. The policy is attached for the Board's review and consideration. She stated that there are concerns with "double dipping" where Board members are compensated for their service as a Commissioner but may be appointed to ancillary Boards that receive funding from the County. She stated that under the policy Board members will be eligible to be reimbursed for direct expenses such as hotel or travel as long as they are not already reimbursed by the County however any stipend needs to be related to travel.

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

Policy for Chowan County Commissioners' Compensation for Service on Ancillary Boards.

Preamble

WHEREAS, an official duty of a Chowan County Commissioner is to serve as the Board of Commissioner's representative on multiple ancillary boards; and

WHEREAS, many ancillary boards compensate board members for their service and/or travel expenses; and

WHEREAS, Chowan County provides funding for many of the same ancillary boards; and

WHEREAS, Section 153A-28 of the North Carolina General Statutes sets forth procedure for setting Board compensation; and

WHEREAS, seeking and/or receiving double compensation from public funds is not permitted; and

WHEREAS, a spirit of honesty and forthrightness is reflected in North Carolina's state motto, *Esse quam videri*, "To be rather than to seem," and in the Chowan County Code of Ethics; and

WHEREAS, as public officials we are charged with upholding the trust of the citizens of this County, and with obeying the law, and

WHEREAS, Commissioners should not receive compensation for service on ancillary boards as the Board's representative

NOW THEREFORE, in recognition of our duties and obligations as citizens of the State of North Carolina and as public officials representing the citizens of the County of Chowan, we the Chowan County Board of Commissioners do hereby adopt the following Policy for Chowan County Commissioner's Compensation for Service on Ancillary Boards.

Policy

- The Chair to the Board annually appoints Commissioners to serve as the Board's representative on ancillary boards. Commissioner's service on said ancillary boards is considered an official duty of a Chowan County Commissioner.
- Commissioners shall not receive compensation and/or reimbursement for serving as the Board's representative on said ancillary boards except as herein permitted.
- Commissioners' compensation is set annually in the budget ordinance pursuant to N.C.G.S. § 153A-28. Said compensation takes into consideration the duties and obligations required of a commissioner.
- Commissioners shall not accept compensation from ancillary boards for serving as the Board's representative.
- Commissioners may accept travel and/or direct expense reimbursement from the ancillary boards related to their service as the Board's representative excepting when the Commissioner has previously received reimbursement from the County for the same.

Boys and Girls Club Renovation Items

Architect Contract Amendment

Mr. Howard provided the Board with an amendment to the contract with JKF Architecture to add additional design work for a fire alarm system for the Boys and Girls Club renovation. He stated that the main building to be occupied by the Boys and Girls Club is separate from the gym which is why the fire alarm system has to be separate. He stated the work has been done.

The Board discussed the "not to exceed" \$1.65 million language in the lease agreement between the County and the Boys and Girls Club.

Commissioner Kirby moved to approve the contract amendment as presented.

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

Public Hearing Announcement

The Chowan County Board of Commissioners will hold a public hearing on Monday, June 17, 2019 at 6:00pm at the Chowan County Public Safety Center 305 West Freemason St Edenton. The purpose of the public hearing is to consider an application for approval of an installment purchase contract for the renovation of the Former DF Walker School (Oakum Street) for the space to be leased by the Boys and Girls Club of the Albemarle. The cost is not to exceed \$2 million.

Mr. Howard noted the County will have to go to the LGC for financing and the County will have to have the estimates and bids ready for the project. He stated he put the not to exceed \$2 million language to cover if the bids come in over the agreed upon amount in the lease between the County and the Boys and Girls Club.

Commissioner McLaughlin expressed his concern with using an amount greater than what has been approved by the Board.

Mr. Howard stated this does not obligate the County to borrow more, he stated that is approved with the financing. He noted there is no intention by the Boys and Girls Club to go over that amount.

Chair Kersey discussed her concern with advertising a larger amount to borrow that may lead contractors to bid higher on the bids.

Ms. Womble discussed options for amending the lease if the Board desired to increase the amount borrowed.

Commissioner Bonner moved to advertise the public hearing for financing for the June 17, 2019 meeting. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

RFP Financing

Mr. Howard provided the Board with the RFP to get proposals for financing the Boys and Girls Club renovation project.

Commissioner Bonner moved to approve the RFP document as presented. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

Board Appointment

Chair Kersey noted the Hospital Directors Council has requested that Mike Adams fill the expired term of Scotty Harrell. A brief bio on Mr. Adams is attached for the Board's review.

Commissioner Kirby moved to appoint Mike Adams to the Hospital Directors Council. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

External Board/Committee Report

Chair Kersey asked for Board members to report on the activities of the external boards to which they have been appointed.

Commissioner McLaughlin stated that at the previous meeting he asked to withdraw a resolution from ARCD to get more information. He stated he will be asking to place this resolution on a future agenda. He stated the grant does not require additional county monies.

Manager's Report

County Manager Kevin Howard updated the Board on the following:

- NCACC Resource/Consultation Team Request

Mr. Howard provided the Board with a letter from Sampson County requesting a Resource team from the NCACC to assess their county's Emergency Services Department.

Chair Kersey noted this was requested by the Board and she understands the Sheriff has also agreed to participate in the assessment.

Mr. Howard noted it will be six months before the team is ready to assess Chowan. He stated Sampson's letter was dated January and they are now being assessed. He stated the NCACC representatives will want to meet with the Board to discuss what the Board wants to be reviewed. He stated he will work with Mr. Emory with the NCACC to set up a meeting date.

After discussion on meeting dates or options Commissioner Kirby moved to proceed with the process. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

- Jail Study Committee
A meeting has been scheduled for June 12th to review applications and make a recommendation on the study group.
- Senior Center
Items are being moved in
- Joint Meeting with School Board
A joint meeting has been scheduled for June 18, 2019 at 6:00pm. The schools will provide the County with the demographic study information. Mr. Howard plans to discuss the bond procedure.

Timely and Important Matters

Drone Research

Commissioner Lawrence reported he is participating in a drone research project that week in Elizabeth City. He stated there will be more information for the Board following the project.

D-Day Recognition

Commissioner Kirby noted that June 6th will mark 75 years since D-Day. He urged the Board and those in attendance to reflect on the sacrifices made that day and stated that we owe them a great debt.

Adjourn

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

Patti F. Kersey, Chair

Susanne Stallings, Clerk