

Regular Meeting
Friday, May 3, 2019
Chowan County Public Safety Center
305 West Freemason St.
Edenton, NC
9:00am

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

Present Chair Patti Kersey, Commissioners Bob Kirby, Greg Bonner, Ellis Lawrence, Don Faircloth (Came in later), Larry McLaughlin and Ron Cummings.

Staff present County Manager Kevin Howard, Finance Officer Cathy Smith and Board Clerk Susanne Stallings.

Call to Order

Chair Kersey called the special meeting to order.

FY 2019-20 BUDGET WORKSESSION

Chair Kersey called on the Board members to make remarks about their envisioning of the FY 2019-20 budget.

Commissioner Cummings stated he would like more information on the increase and decrease for each budget. He stated his concern with the Board having to make the cuts. He stated he felt the budget should be cut back to remove the proposed tax increase.

Commissioner McLaughlin stated that he has a lot of questions regarding departmental requests. He stated he wanted the budget trimmed back.

Commissioner Bonner stated he understands the needs for increased costs (gas ect). He stated he would like to find areas to cut back but the Board should also look at the needs to provide optimal services to the tax payers.

Commissioner Kirby stated that he had concerns with how hospitalization was handled differently within the departmental budgets. He stated he noticed computers are in each budget under different line items (some are departmental supplies some are office supplies). He stated he would like this more uniform. He stated he has concerns for new positions. He stated he is not sure why additional positions are needed. He stated he has questions about vehicle requests and stated the County should look at a motor pool as an option for vehicles. He stated that there are areas that can be trimmed.

Commissioner Lawrence stated he prefers to ask the Department Heads questions about their increases to justify their requests. He stated he is concerned about future funding in the IT budget and feels that is an important budget.

Chair Kersey stated that she wants to maintain the same level of services and not go backwards. She noted there are two big financial responsibilities coming up soon (the water treatment plant effluent and the new high school). She noted there is debt coming off the books soon and she feels right now the County should hold the line with regards to the budget and the tax rate.

Mr. Howard noted that previous Boards of Commissioners have wanted to go line by line through the budget. He stated the first thing to look at is new requests. He stated this budget started in a deficit and the budget is also trying to address natural growth. He noted there are items budgeted that the Board previously approved leases for (Enterprise Rental cars for the Sheriff Office was one example he provided). He stated if he is going to cut three cents he has to look at anything that is not a position. He stated the County's services are its people.

Chair Kersey stated she wanted to be cautious with regards to positions.

Mr. Howard discussed remedies for the budget which include a hiring freeze.

Commissioner Faircloth joined the meeting.

Chair Kersey asked if Commissioner Faircloth wished to make any remarks regarding the proposed budget.

Commissioner Faircloth stated that he has spent a lot of time reviewing the budget requests. He stated he feels it is the greatest responsibility of the Board to give the citizens the services they desire with the least impact on the tax rate. He stated he wants as little impact on the residents as possible.

Commissioner Lawrence stated that an increase on the tax rate is an increase on him personally as well and he stated he takes a tax increase very seriously. He added that he hoped the residents know that if the Board votes to raise the tax rate there is a good reason for doing so.

Commissioner Bonner stated that he would like to know that the Department Heads met with the Manager and presented their requests.

Commissioner Lawrence noted that he has met with some Department Heads.

Chair Kersey noted that there are some requests from Department Heads that Mr. Howard does not agree with.

Mr. Howard provided the Board with a handout that compared Chowan County's adopted budget for FY 2018-19 with Perquimans, Bertie, Washington and Gates Counties.

Chair Kersey discussed the current tax rate and the importance of the rate with regards to economic development.

Mr. Howard noted that he had an item on the May 6th agenda but took it off for now. He stated that the budget does not include monies for replacement of an ambulance engine. He stated that the engine block has cracked and will need to be replaced.

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

Mr. Howard reviewed the following handouts:

- Budgeted Revenue Variances
- Top 10 requested increases to budgeted expenditures
- Requested positions
Mr. Howard noted he plans to remove the requested Clerk position in the Water budget
- Vehicle Requests
- Proposed Merit Increases
Mr. Howard noted Merit increases are not included in the budget
Chair Kersey noted she would like to see the total increases over all from the previous year.
- Budgeted Revenues and Expenditures

A copy of all handouts are in the meeting file labeled May 3, 2019.

Commissioner Kirby discussed the fees for building permits. He stated the Board should look at increasing the fee for solar farms to \$20 per kilowatt of ac power. He stated if there is a tax increase for County residents, because of state legislation, a solar farm will only see six tenths of the total tax increase.

Commissioner Bonner stated his concern with fairness to all tax payers.

Commissioner Faircloth stated his concern with regulation of certain types of business through fees or standards.

Commissioner Kirby noted that if the Board was able to collect 100% of the value on solar farms the County would not have to raise taxes to make up a deficit.

Mr. Howard stated he would look into the fees charged by other counties.

Commissioner Kirby discussed the taxation of the solar power and where it becomes a sellable product. He stated he would like for this to be looked into.

The Board took a break for lunch. Following lunch Chair Kersey called the meeting back to order.

Commissioner Faircloth left the meeting during lunch.

Commissioner Kirby stated he would like for the Board to hold the line on taxes. He stated the County sets a high bar with services. He stated he does not see a need to increase services. He stated the manager has done a great job and he would look for the manager to determine the necessary cuts. He stated he did not want positions cut. He stated he would like to see the debt paid off sooner.

Commissioner McLaughlin moved to direct the County Manager to come back with another budget with little to no tax increase.

Commissioner Bonner asked if there are places that the Manager can find the cuts.

Mr. Howard stated he will meet with department heads to work with them to make the cuts. He stated the items he feels are important will stay in the proposed budget. He stated that the Board has the budget with what he feels he needs however there are departments like the Sheriff, DSS and Schools that will wish to plead their case. He noted the Elections Director will want to plead his case to the Board. He stated that it is not possible to cut \$443,000 without impacting services.

Chair Kersey stated she would like to not grow services this coming year but hold the line.

Commissioner McLaughlin stated that the new proposed budget will be a new starting point for the Board.

Commissioner Lawrence noted that the board may have to modify the Manager's proposed budget.

Chair Kersey asked for all in favor, the motion passed unanimously (*7-0 Faircloth counted as a yes vote due to no vote to excuse.*)

The Board discussed the next meeting date, it was determined that the Board will cancel the meeting scheduled for May 7th to allow time for the Manager to meet with Department Heads. The next meeting will be on May 17, 2019.

Being no further business, Chair Kersey declared the meeting adjourned.

Patti F. Kersey, Chair

Susanne Stallings, Clerk