

Minutes
Reconvened Meeting
Hertford County Board of Commissioners
County Commissioners' Meeting Room
Monday, May 16, 2011
10:00 A.M.

Present: Johnnie R. Farmer, Curtis A. Freeman, Sr., Ronald J. Gatling, Howard J. Hunter, III, and William F. Mitchell, Jr.

Absent: Representative Annie W. Mobley

Also Present with the Board: Loria D. Williams, County Manager; John P. Rankins, Assistant County Manager; Senator Ed Jones; and Anthony Roper, N.C.D.O.T. Representative

Chairman Johnnie R. Farmer called the meeting to order.

The meeting was held to discuss goals with our local legislators on a variety of topics. There were also some issues discussed with the North Carolina Department of Transportation.

On a motion by Gatling and a second by Hunter, the Board voted unanimously to adjourn the meeting.

Minutes
 Regular Meeting
 Hertford County Board of Commissioners
 County Commissioners' Meeting Room
 Monday, May 16, 2011
 7:00 P.M.

Present: Johnnie R. Farmer, Curtis A. Freeman, Sr. (entered late), Ronald J. Gatling, Howard J. Hunter, III, and William F. Mitchell, Jr.

Absent: None

Also Present with the Board: Loria D. Williams, County Manager; Charles L. Revelle, III, County Attorney; and Shelia W. Matthews, Clerk to the Board

Chairman Johnnie R. Farmer called the meeting to order.

The invocation for the meeting was provided by Commissioner William F. Mitchell, Jr.

TAX

On a motion by Hunter and a second by Gatling, the Board voted unanimously to approve the Tax Releases for the month of April, 2011, as follows:

TOTAL VALUE APPROVED THIS REPORT (2010 LEVY)	76,290.00
TOTAL TAX RELEASED THIS REPORT (2010 LEVY)	705.13
TOTAL VALUE APPROVED THIS REPORT (PRIOR LEVY)	1,000.00
TOTAL TAX RELEASED THIS REPORT (PRIOR LEVY)	10.01
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2010)	230.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2010)	230.00
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2009)	47.50
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2009)	57.50
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2008)	00.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2008)	00.00
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2007)	00.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2007)	00.00
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2006)	00.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2006)	00.00
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2005)	00.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2005)	00.00
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2004)	00.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2004)	00.00
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2003)	00.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2003)	00.00
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2002)	00.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2002)	00.00
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2001)	00.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2001)	00.00
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2000)	00.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2000)	00.00

MINUTES

On a motion by Hunter and a second by Gatling, the Board voted unanimously to approve the minutes of the April 4, 2011, Regular Meeting as presented by the Clerk to the Board.

On a motion by Mitchell and a second by Hunter, the Board voted unanimously to approve the minutes of the April 4, 2011, Board of Equalization and Review as presented by the Clerk to the Board.

On a motion by Mitchell and a second by Hunter, the Board voted unanimously to approve the minutes of the April 18, 2011, Regular Meeting as presented by the Clerk to the Board.

On a motion by Hunter and a second by Mitchell, the Board voted unanimously to approve the minutes of the April 18, 2011, Board of Equalization and Review as presented by the Clerk to the Board.

RC COMMUNITY HEALTH CENTER/SCHOOLS

County Attorney Charles L. Revelle, III, introduced Connie Parker, Executive Director of the NC Schools Community Health Alliance. Ms. Parker addressed the Board about school based health care centers. She explained they are similar to a doctor's office and there are 54 of these centers in North Carolina.

Vice-Chairman Freeman entered the meeting at this time.

Ms. Parker further explained that these centers bill the patients and are also funded by grants. The planning grant is only in the beginning stages, but will need the cooperation of several entities.

Kim Schwartz, Director of the Roanoke-Chowan Community Health Center, spoke highly about the need and desire to have school based health care centers in the area. She expressed these centers will take the collaboration of multiple organizations in Hertford County.

Commissioner Gatling and Vice-Chairman Freeman spoke in favor of this collaboration, as well Board of Education Chairman David Shields.

SOUNDSIDE GROUP/DISASTER RECOVERY PLAN

On a motion by Gatling and a second by Freeman, the Board voted unanimously to approve the Disaster Recover Plan as presented by Eric Koss and Mark Hendricks with the Soundside Group at the last meeting.

SOCIAL SERVICES/CONTRACTS

Adonica Hampton, Social Services Director, presented the FY 2011-2012 DSS Contracts for Board approval. She stated that the twelve contracts up for renewal were all current contracts with three having rate increases (Mitchell McLean, Revelle & Lee, and Choanoke Public Transportation Authority).

On a motion by Hunter and a second by Mitchell, the Board voted unanimously to approve the FY 2011-2012 DSS Contracts as presented.

Chairman Farmer thanked Ms. Hampton for the fine job that she was doing and thanked her staff that was out working after the tornadoes that came through on April 16.

BUDGET AMENDMENTS

On a motion by Gatling and a second by Freeman, the Board voted unanimously to approve the following Budget Amendment #9 for FY 2010-2011 as presented by Robbin Stephenson, Finance Director:

AMENDMENT TO THE HERTFORD COUNTY BUDGET ORDINANCE 2010/2011 (Amendment No. 9)

Section I of the Hertford County Budget Ordinance, pertaining to the General Fund operations of the County, shall be amended as follows:

Increase (Decrease) Appropriations:

General Government

Public Buildings

294,000

Human Services	
DSS – Daycare	(87,732)
DSS – CIP	4,363
Office of Aging – Miscellaneous	1,200
DOT - ROAP	27,582
Public Safety	
Sheriff – Earmarked	2,500
Cultural and Recreational	
Educational – Lottery Proceeds	4,413
Total	246,326

Section II of the Hertford County Budget Ordinance, pertaining to the General Fund operations of the County, shall be amended as follows:

Increase (Decrease) Revenues:

General Fund	
Appropriated Fund Balance	294,000
Restricted Intergovernmental - DSS	(83,369)
Sales and Services – Earmarked	2,500
Restricted Intergovernmental – State Grant ROAP	27,582
Restricted Intergovernmental – Lottery Proceeds	4,413
Restricted Intergovernmental - Aging	1,200
Total	246,326

This amendment:

- Budgets decreased funding in DSS; Source of funding – Federal /State
- Budgets increased funding in the Sheriff Department; Source of funding – Nucor Donation
- Budgets earmarked funds in Aging; Source of funding Mid East/AAA for fans and caregiving
- Budgets increased in DOT – ROAP; Source of funding State Public Transportation Division
- Budgets increased Funding in Board of Education; Source of funding Lottery Proceeds
- Budgets increased funding in Public Buildings; Source of funding Local Funds to put a new roof on Office Bldg #1

RESOLUTIONS/FEMA

On a motion by Freeman and a second by Hunter, the Board voted unanimously to approve the following Resolution for the Designation of Applicant's Agent for the N. C. Division of Emergency Management as it relates to the April 16th tornado:

RESOLUTION

DESIGNATION OF APPLICANT'S AGENT

North Carolina Division of Emergency Management

Organization Name: Hertford County

Disaster Number: 1969

Fiscal Year Start: Month: 07 Day: 01

Federal ID Number: 56-6001523

Primary Agent

Chris Smith

EM Director

P. O. Box 566

Secondary Agent

Loria Williams

County Manager

P. O. Box 116

Winton, NC 27986
 252-358-7861
 252-358-7899 (Fax)
 252-642-7000 (Cell)

Winton, NC 27986
 252-358-7805
 252-358-7806 (Fax)

BE IT RESOLVED BY the governing body of the Organization (a public entity duly organized under the laws of the State of North Carolina) that the above-named Primary and Secondary Agents are hereby authorized to execute and file applications for federal and/or state assistance on behalf of the Organization for the purpose of obtaining certain state and federal financial assistance under the Robert T. Stafford Disaster Relief & Emergency Assistance Act, (Public Law 93-288 as amended) or as otherwise available. BE IT FURTHER RESOLVED that the above-named agents are authorized to represent and act for the Organization in all dealings with the State of North Carolina and the Federal Emergency Management Agency for all matters pertaining to such disaster assistance required by the grant agreements and the assurances printed on the reverse side hereof. BE IT FINALLY RESOLVED THAT the above named agents are authorized to act severally. PASSED AND APPROVED this 16th day of May, 2011.

FIRE DEPARTMENTS/RURAL WATER/POLICIES

On a motion by Hunter and a second by Mitchell, the Board voted unanimously to approve the following policy on the use of fire hydrants by fire departments:

Hertford County Rural Water
 Fire Hydrants Policy and Procedures

The Hertford County Board of Commissioners of Hertford County Rural Water hereby gives Fire Departments located in Hertford County permission to hook their fire trucks directly to Hertford County fire hydrants, provided they use a **Soft Hose** (collapsible) in doing so. If a fire department finds a hydrant that can not maintain 250 gallons per minute or 20 psi they are not to use this hydrant and must notify Hertford County Rural Water of such. Directly hooked fire hydrants can be used for fighting fires at **Business** and **Homes** only.

ADOPTED this 16th day of May, 2011.

SOLID WASTE

On a motion by Hunter and a second by Mitchell, the Board voted unanimously to approve a landfill fee exemption as requested by Wallace G. White. The exemption is for 2009, 2010, and 2011 on account #22196 for the following property:

Andrew White, Heirs
 128 Old US 258
 Como, NC 27818

BUDGET

Loria D. Williams, County Manager, presented the FY 2011-2012 Hertford County Budget Message as follows. The public hearing for comments on the budget was scheduled for June 20, 2011, at 7:30. A special meeting to adopt the budget was scheduled for 10:00 A.M. on June 27, 2011.

HERTFORD COUNTY ANNUAL BUDGET PRESENTATION
Loria D. Williams
County Manager

BUDGET COMPOSITION

The proposed Fiscal Year 2011-12 Budget for Hertford County, North Carolina has been prepared in accordance with the NC Local Government Budget and Fiscal Control Act and General Statute 153A-82. The Budget identifies revenue and expenditure estimates for FY 11-12 and attempts to maintain a continuum of quality services to the citizens of Hertford County.

✓ Revenues

- ✓ Expenditures
- ✓ Northern Water District
- ✓ Southern Water District
- ✓ Solid Waste
- ✓ Enhanced 911 Fund
- ✓ Register of Deeds Enhancement & Preservation Fund
- ✓ Capital Reserve Fund

G.S. 159-11(e) Requirements

In each year in which a general reappraisal of real property has been conducted, the budget officer shall include in the budget, for comparison purposes, a state of the revenue-neutral property tax rate for the budget. The revenue-neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred.

To calculate the revenue-neutral tax rate, the budget officer shall first determine a rate that would produce a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. This growth factor represents the expected percentage increase in the value of the tax base due to improvements during the next fiscal year. The budget officer shall further adjust the rate to account for any annexation, de-annexation, merger, or similar event.

Calculation Methodology

- Determine a rate that would produce revenues equal to those produced for the current fiscal year.
- Increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal.
- Adjust the rate to account for any annexation, de-annexation, merger or similar events.

Step 1. Determine a Rate

	Value	Calculation
FY 11 Projected Total Valuation	1,210,180,760	
FY 11 Tax Rate	0.91	
Tax levy at current rate w/o Revaluation	11,012,645	$(1,210,180,760/100) \times 0.91$
FY 12 Projected Total Valuation	1,389,428,276	
Tax Rate Producing Revenue Equal to FY 2011	0.7926	$=(11,012,645)/(1,389,428,276/100)$

Step 2. Increase by Growth Factor

Fiscal Year	Assessed Value	Growth Factor (%)
2004	1,149,024,094	
2005	1,167,250,000	1.59%
2006	1,151,410,109	-1.36%
2007	1,159,230,362	0.68%

2008	1,186,007,557	2.31%
2009	1,203,330,247	1.46%
2010	1,203,017,301	-0.03%
2011 (Projected)	1,210,180,760	0.60%
Average Growth - 03-04		0.75%

Step 3. Revenue Neutral Tax Rate

- Revenue-neutral tax rate is .80
- 11 cents below FY 2011 tax rate of 0.91

	Value	Calculation
Rate	0.7926	
Average Growth Rate	0.75%	
Revenue Neutral Tax Rate	0.80	= 0.7926 X 1.0075

What Does This Mean for FY 2012 Budget?

Item	Amount	Calculation
Projected Tax Levy	11,115,426	= (1,389,428,276/100) x 0.80
Projected Revenue (@ 95% collection rate)	10,559,651	= 11,115,426 x .95
	Value of a Penny	
Full Value	\$138,943	1,389,428,276 x .0001
Adjusted Value (@ 95% Collection Rate)	\$131,996	= 138,943 x .95

For a Homeowner

	Current Tax Rate	Revenue Neutral Rate (based on new values)
Property Tax Rate Per \$100 valuation	.91	.80
Property Tax Bill on a \$150,000 home	\$1,365	\$1,200
Difference from Current Tax Rate		(\$165.00)

RECOMMENDED BUDGET

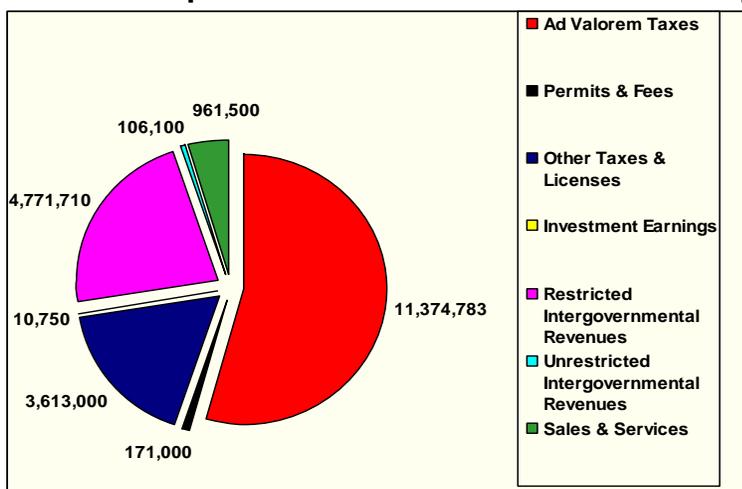
- Reflects a General Fund Budget of \$22,381,039 with a tax rate of \$0.83/100 valuation, three cents above revenue neutral. This rate is based upon an

estimated valuation of real and personal property of \$1,389,428,276 and a collection rate of 95 percent.

- Reflects an appropriated general fund balance of \$1,269,141 of which is six percent (6%) of the operational budget (a tad bit above the recommended 5%). Fund balance appropriated is at an all time high and is the difference between estimated revenues and expenditures.
- Due to the reappraisal of real property, one cent is equivalent to \$131,996 in comparison to last budget planning year's one cent equivalent of \$114,967. Therefore, for every penny on the tax rate there is increased spending of \$131,996.
- This budget provides level funding to the Public School, Community College, and Health Authority.
- This budget provides for an estimated payroll of \$6,164,084 without any provision for a cost-of-living increase for county employees.

Revenues-At-A-Glance

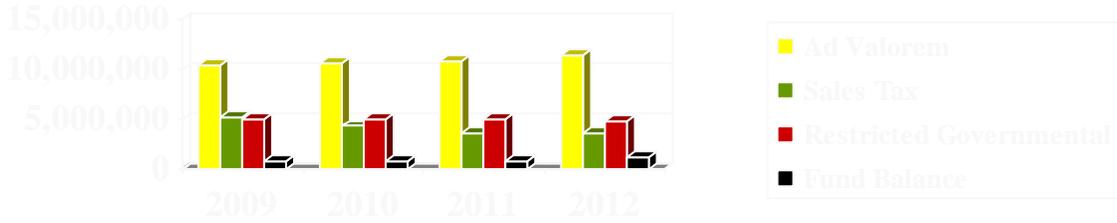
- Ad Valorem Taxes -- Real and Personal taxes, interest and penalties, make up 51% of Hertford County's revenue stream. This is an increase of 5% over this year's tax levy.
- Restricted Intergovernmental – Federal and state offsetting revenues (22% of revenue stream) and/or grants that are restricted to the mandated use. This figure represents a 4% decrease in funding due to state cuts.
- Other Taxes & Licenses –Of the overall sales tax structure, Hertford County receives .00225 cents which makes up 16% of the county's revenue stream. Although there is a modest increase due to the ¼ cents, certain portions have been reduced considerably due to distribution methodology.
- Sales & Service – Consists of ambulance fees, jail/court officer fees, as well as tax collection fees from municipalities. This figure represents a 10% percent decrease due to the economy.



Revenue Factors

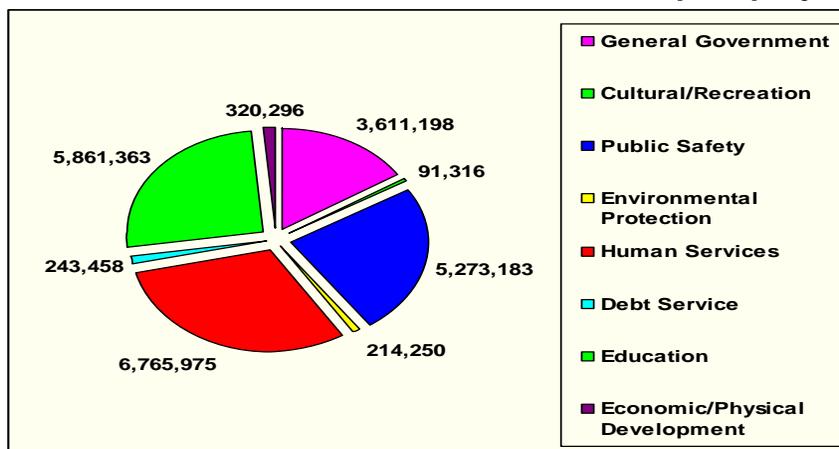
- Ad Valorem Taxes – The three-cent increase (above-revenue-neutral), represents \$395,000 in additional spending for this fiscal year and is the result of increases in insurances, utilities/fuel and the reorganization of the maintenance and inspections departments and loss of revenues. Please note that cuts were made to operational spending to offset the impact on the tax rate.
- Sales Tax – The economic downturn, the shift of 42 from per capita to point of sales and the hold harmless provision to municipalities continue to negatively impact county revenues.

- **Interest Income** - The economy's impact on interest rates continues to result in severe loss of revenue to county's. It virtually non-existent from \$300,000 in income to \$10,350.
- **Fund Balance** – Increased by roughly \$130,000 above the current year's appropriation to offset loss revenues and to keep tax rate at an acceptable level.



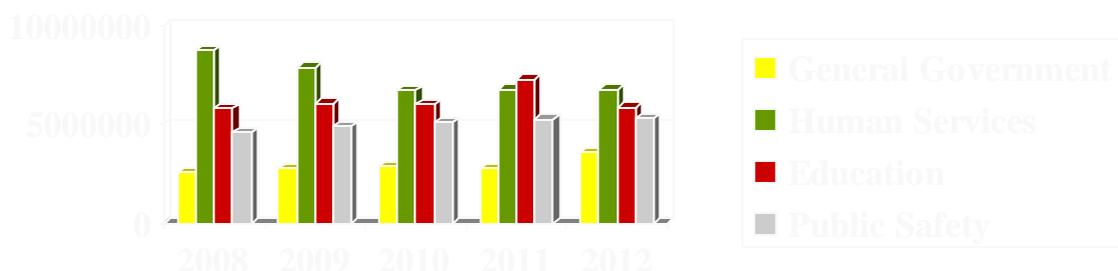
Expenditures-At-A-Glance

- **Education** – Makes up 26% of general fund expenditures. Hertford County spends \$238 per capita in comparison to Bertie - \$166 and Northampton - \$187.
 - **Public Safety** – Includes Sheriff, Jail, Emergency Management, Communications, Fire, EMS & Code Enforcement makes up 23% of general fund expenditures. Public safety for citizens remain a top priority with funding indicative of same..
- **Human Services** – Makes up 30% of general fund expenditures, however, has \$4.45 million in offsetting revenues. Therefore, the county spends an estimated .10 on Human Services.
- **General Government** – Increases from 11% to 16% this fiscal year due to the creation of capital reserve fund of which all of the ¼ cent sales tax has been allocated and promised to the citizens up their approval of same. This reserve fund will facilitate future capital projects.

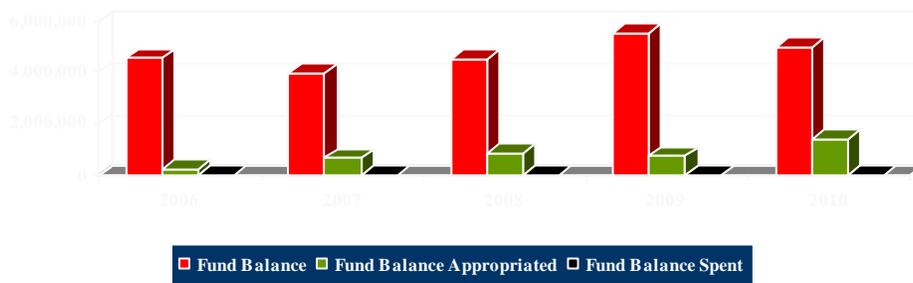


EXPENDITURE FACTORS

- **General Government** – Increases due to establishment of Capital Reserve Fund.
- **Human Services** – Remains virtually unchanged for this fiscal, thereby holding the line.
- **Education** – Decreases in spending due to the completion of capital projects during current fiscal year that was facilitated through lottery and ADM funding.
- **Public Safety** – Remains virtually unchanged for this fiscal year, thereby holding the line.



Fund Balance



GENERAL FUND CONCLUSION

- The “Budget Drivers” for this fiscal year are mainly increases in health insurance due to the dissolution of the Health Insurance Trust Fund and an abnormal experience mod for the current year, increase in fuel costs and the loss of revenue in vehicle tax, sales & services and permits/fees.
- Outside agency requests totaled some \$444,465 which would have equated to three and 1/3 cents on the tax rate. Again, this budget provides level funding to the Public Schools, Community College and Health Department. However, considerable cuts were made to non-profits that the county is not contractually obligated to fund.
- We have made in-house sacrifices (budget reductions) to allow for level funding for outside agencies, and employees should be rewarded for their efforts. However, this budget, as presented does not provide for a cost-of-living increase for employees. However, it does provide health insurance benefits at 100% which is slowly becoming a thing of the past.

ENTERPRISE FUNDS

SOLID WASTE

	2010-11	2011-12
Revenues		
Taxes & Licenses	904,928	952,008
Miscellaneous	1,286	100
Investment income	1,000	1,000
Solid Waste Fund	-0-	-0-
Balance Appropriated		
TOTAL REVENUES	\$907,214	\$953,100
Expenditures		
Salaries	374,848	*292,992
Operating Expenses	532,366	*616,665
Fund Reserve		*43,443
TOTAL EXPENDITURES	\$907,214	\$953,100

NORTHERN WATER

	2010-11	2011-12

Revenues		
Sales & Services	466,114	468,578
Miscellaneous	400	500
Investment income	-0-	-0-
TOTAL REVENUES	\$466,514	\$469,078
Expenditures		
Salaries	93,764	93,725
Operating Expenses	372,750	375,353
TOTAL EXPENDITURES	\$466,514	\$469,078

SOUTHERN WATER

	2010-11	2011-12
Revenues		
Sales & Services	1,058,686	1,058,720
Miscellaneous	3,000	3,000
Investment income	-0-	-0-
TOTAL REVENUES	\$1,061,686	\$1,061,720
Expenditures		
Salaries	153,744	156,076
Operating Expenses	907,942	905,644
TOTAL EXPENDITURES	\$1,061,686	\$1,065,486

SUMMARY – ENTERPRISE FUNDS

- **Solid Waste – This budget recommends partial privatization of solid waste functions, namely site equipment and hauling. This will eliminate the extensive replacement costs of aging equipment and trucks. It is anticipated that certain personnel within the department will be reassigned to other departments within the county.**
- **There is also recommended an increase of the Tipping Fee from \$55.00/ton to \$66.00/ton. This rate is aligned with adjoining counties and will better cover our disposal costs at Bertie County Landfill.**
- **Northern & Southern Water Funds – There is not a fee increased proposed for the water districts for the upcoming fiscal year.**

PUBLIC COMMENT PERIOD

No one was present to speak during the Public Comment Period.

COMMISSIONERS' COMMENTS

- Commissioner Gatling canceled the Recreation Committee Meeting scheduled for May 26th.
- Vice-Chairman questioned the status of the vacant position in the Maintenance Department. Mr. Rankins responded that applications have been received and it may be best to wait until the reorganization.
- Chairman Farmer took Anthony Roper with the NC Department of Transportation to visit the pile of dirt at the 11 and 11 intersection, Chamblee Lane, and Celeste Drive after the meeting with him this morning.

On a motion by Hunter and a second by Gatling, the Board voted unanimously to adjourn the meeting.

Shelia W. Matthews
Clerk to the Board

Johnnie R. Farmer, Chairman
Hertford County Commissioners