

Minutes
Regular Meeting
Hertford County Board of Commissioners
County Commissioners' Meeting Room
Monday, May 21, 2012
7:00 P.M.

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

Absent: Ronald J. Gatling

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

Chairman Curtis A. Freeman, Sr., called the meeting to order.

The invocation for the meeting was provided by Vice-Chairman William F. Mitchell, Jr.

SOCIAL SERVICES/CONTRACTS

Adonica Hampton, Social Services Director, presented the FY 2012-2013 DSS Contracts for Board approval. There are twelve contracts up for renewal with five having rate increases (Revelle & Lee, Choanoke Public Transportation Authority, Maximus, Henry Pope, and Carolina's Home Care).

On a motion by Hunter and a second by Mitchell, the Board voted unanimously to approve the FY 2012-2013 DSS Contracts as presented.

BUDGET/FIRE DEPARTMENTS

Memo #7548 (Request for Additional Funding for Fire Departments) was removed from the agenda since no one would be present to make the request.

ORDINANCES/FIRE MARSHAL

On a motion by Hunter and a second by Mitchell, the Board voted unanimously to approve An Ordinance Establishing the Adoption, Administration, and Enforcement of the 2009 Edition of the International Fire Code for Hertford County as presented by Chris Smith, Emergency Management Director/Fire Marshal.

COUNTY PROPERTY/TAX FORECLOSURES

On a motion by Mitchell and a second by Hunter, the Board voted unanimously to accept the bid offer of \$3,800 from Ms. Kima Beale to purchase the Newtec Company tax foreclosure property (PIN #5993-61-1310). The Notice of Offer to Purchase Real

Estate and Opportunity for Upset Bid has been properly advertised. No upset bids have been received.

On a motion by Hunter and a second by Mitchell, the Board voted unanimously to rescind acceptance of offers on tax foreclosure properties as follows:

- Shirley Blythe and Gloria Hall (PIN #5968-36-6312)
- Dorothy Smith (PIN #5968-29-9619)

The Board accepted these offers in November, 2011, and the County has not received payment. The County Attorney sent letters to the bidders requesting payment in full by May 21, 2012. Since no payment was made, the bid deposits will be retained by the County and they will be added back to the listing of available foreclosure properties.

PUBLIC COMMENT PERIOD

Mr. Brandon Holland, Murfreesboro Town Administrator, thanked the Board for park equipment recently installed at Riverside Park. Commissioner Hunter shared how packed the park had been every time he passed by last week. There are plans to have more equipment in other places in the county in the future. Vice-Chairman Mitchell thanked Mr. Holland for the acknowledgement and appreciation of the new equipment.

Mrs. Melanie Storey, newly elected Register of Deeds, addressed the Board and citizens present and thanked everyone for their support.

COUNTY MANAGER'S UPDATE

The only update the County Manager had was that she was working on the budget and on the Tunis Project diligently.

COMMISSIONERS' COMMENTS

- Vice-Chairman Mitchell thanked the voters for their support.
- Commissioner Hunter appreciates everyone's vote of confidence.
- Chairman Freeman said, "Now that the distractions are out of the way, let's roll up our sleeves and get to work."
- Commissioner Hunter shared that the Mid-East Commission has offered the Director's position to someone from Warren County.

BUDGET

Loria D. Williams, County Manager, presented the FY 2012-2013 Hertford County Budget Message.

HERTFORD COUNTY ANNUAL BUDGET PRESENTATION FY 2012-2013

Loria D. Williams, County Manager

BUDGET COMPOSITION

- ✓ Revenues
- ✓ Expenditures
- ✓ Enterprise Funds – Solid Waste, Northern & Southern Water Districts
- ✓ E-911 Fund
- ✓ Register of Deeds Enhancement Fund
- ✓ Capital Reserve Funds – Schools & County

THE CHALLENGE

Attempting to keep today's solutions from becoming tomorrow's problems!

To continue to provide federal and state mandated programs, while attempting to address the county's short and long term capital improvement needs via structured revenue policies; capital reserve funds and debt retirement set asides – all during one of the worst economies that this country has witnessed in decades.

STATE AND FEDERAL MANDATES AND THE NEED FOR SERVICES IS A CONSTANT REGARDLESS OF THE ECONOMY

BUDGET DRIVERS

State and National Outlook

COMPARISON – FY 2012	COMPARISON – FY 2013
Insurances (GL, WC, Health) Costs - \$2,065,530	Insurances (GL, WC, Health) Costs - \$2,219,230
Utilities & Fuel Costs Economy – Sales Taxes (slow Incline) - \$3,165,000	Utilities & Fuel Costs Economy – Sales Taxes (slow Incline) - \$3,275,000
Capital Projects - \$592,900	Capital Projects - \$517,510

VALUE AND GROWTH FACTORS

Values Dictate Tax Rate

The Revenue-Neutral Debate

- Prior to the downturn and thereafter, the county's growth rate was minimal.
- In a revaluation year, should a jurisdiction set a neutral rate on valuations that grow on average less than one percent per year.
- Represents growth resulting from revaluation required by state law every eight years.

- Represents business and industry recruitment efforts by county EDC and Director.

Fiscal Year	Assessed Value	Growth Factor
2007	1,159,230,362	Loss value
2008	1,186,007,557	2.31%
2009	1,203,330,247	1.46%
2010	1,203,017,301	Loss value
2011	1,225,174,825	2.00%
2012*	1,389,428,276	13%
2013**	1,468,387,603	6%

RECOMMENDED BUDGET

- ✓ Reflects a General Fund Budget of \$23,585,288 maintaining the tax rate of \$0.84/100 valuation. This rate is based upon an estimated valuation of real and personal property of \$1,468,387,603 and a collection rate of 94 percent.
- ✓ Reflects an appropriated fund balance of \$1,499,662 of which is six percent (6%) of the operational budget. Fund balance appropriated represents the difference between revenues and expenditures. Non-recurring capital projects in the amount of \$395,000 account for the increase in fund balance appropriated.
- ✓ One cent is equivalent to \$138,028 in comparison to last planning year's one cent equivalent of \$131,996.
- ✓ This budget continues to earmark (set aside) the new ¼ cents sales tax (an estimated \$435,000) for capital projects only, and further earmarks an additional 15% percent (\$200,000) of the one cent sales tax for future capital projects and/or operations.
- ✓ This budget provides for a three percent (3%) COLA for county employees, bringing payroll to an estimated \$7,077,233 (includes FICA/RET/Health).

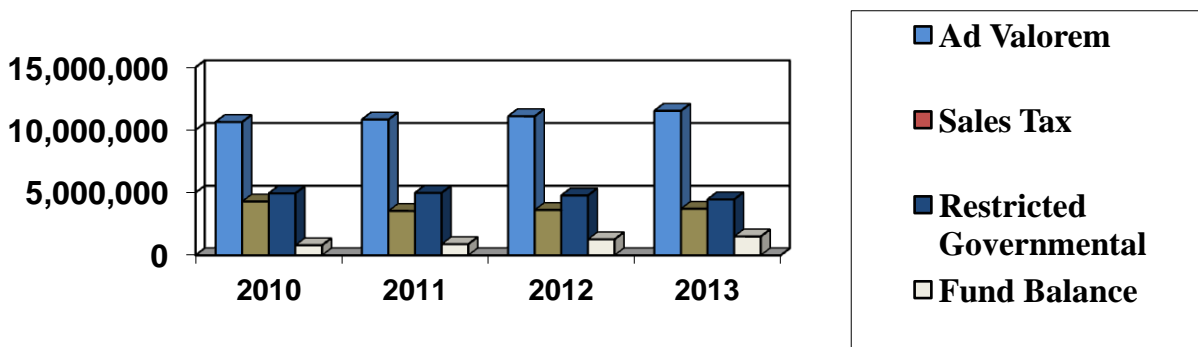
REVENUE FACTORS

Ad Valorem Taxes – This year’s increased values will generate an additional \$443,506 in the tax levy, representing a four percent increase compared to last year. Ad valorem taxes makeup 51% of the county’s revenue stream.

Restricted Intergovernmental Funds – Offsetting federal and state revenues account for 19% of the revenue stream. This year’s budget reflects a 7% reduction in this fund due to federal cuts in human services programming, namely Social Service Block Grant (SSBG).

Sales Tax – Due to slow recovery in the economy, sales tax (which use to account for as much as 22% of the revenue stream) make up 14% of the revenue stream and is up only 3% from last fiscal year.

Fund Balance Appropriated – This year’s appropriation includes two major, non-recurring projects (telephone system and roof replacement). Thereby, the gap between revenue and expenditures is less this year even though the appropriation remains basically the same.



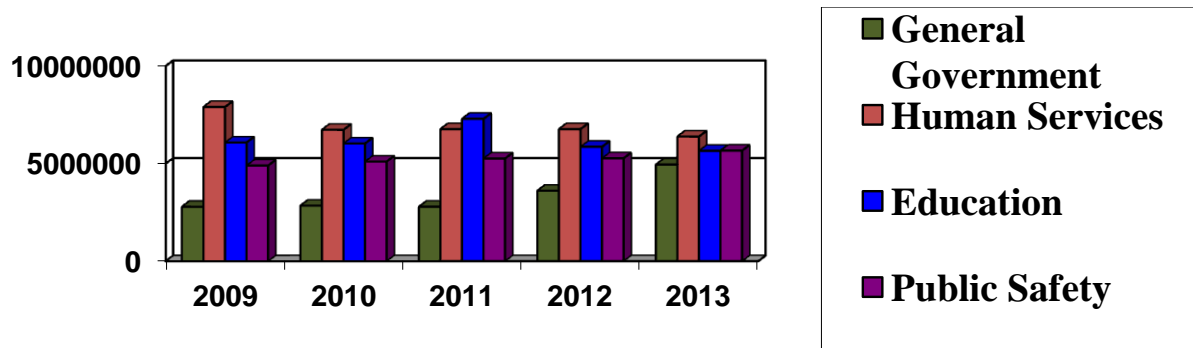
EXPENDITURE FACTORS

General Government – The sizeable increase is due to \$360,000 in capital projects (non-recurring) and earmarked sales tax funds in the amount of \$200,000 diverted to the capital reserve fund which is included in this function.

Human Services – The reduction in this function is due to federal cuts in the SSBG Block Grant that funds TANF and Work First and similar programming in DSS.

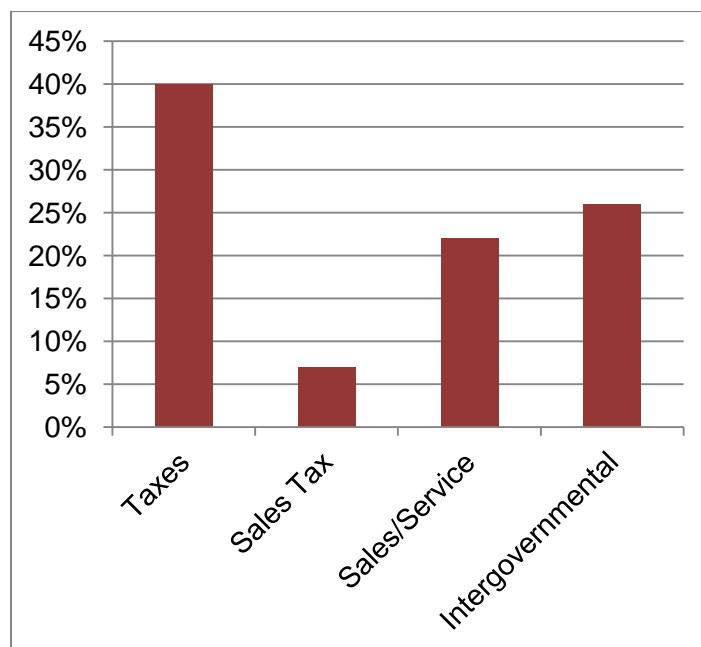
Education – Reduction in one time appropriation to public schools and community college and slow growth in the portion of sales tax earmarked for schools is a factor in the reduction in education.

Public Safety – Increases in this function is due to the lion share of the uptick in workers’ compensation insurance, purchase of new ambulance and the increase in fuel costs.

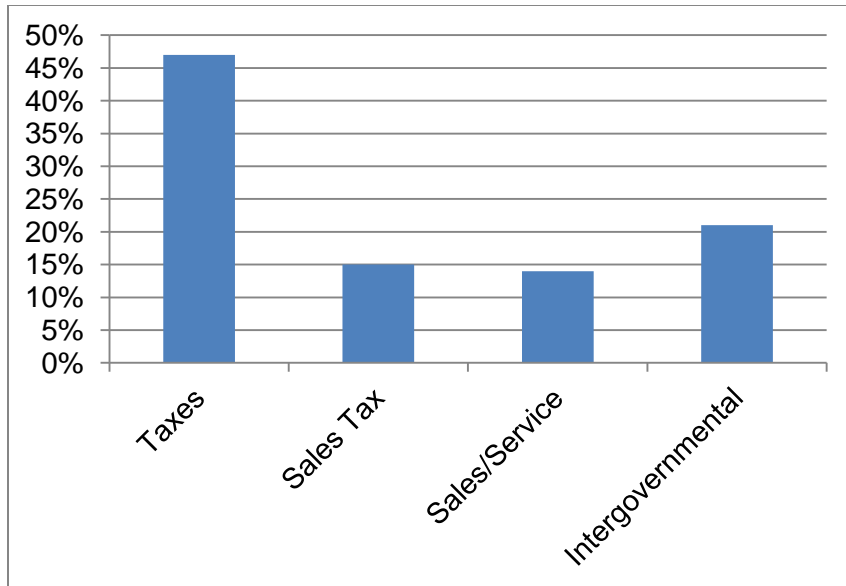


**ARE WE MEASURING UP?
REVENUES**

BERTIE

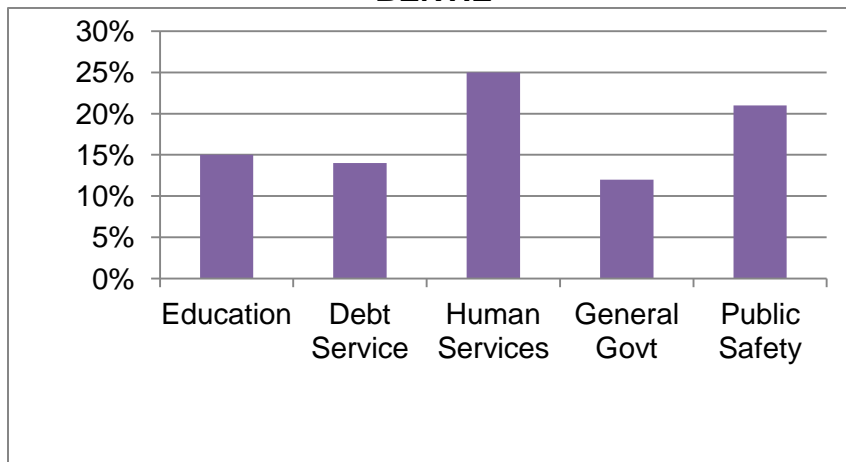


HERTFORD

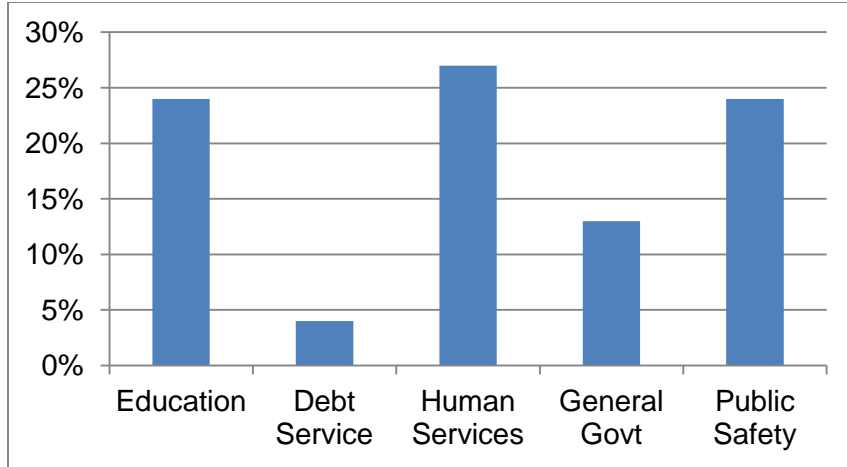


MEASURING.....
Expenditures

BERTIE

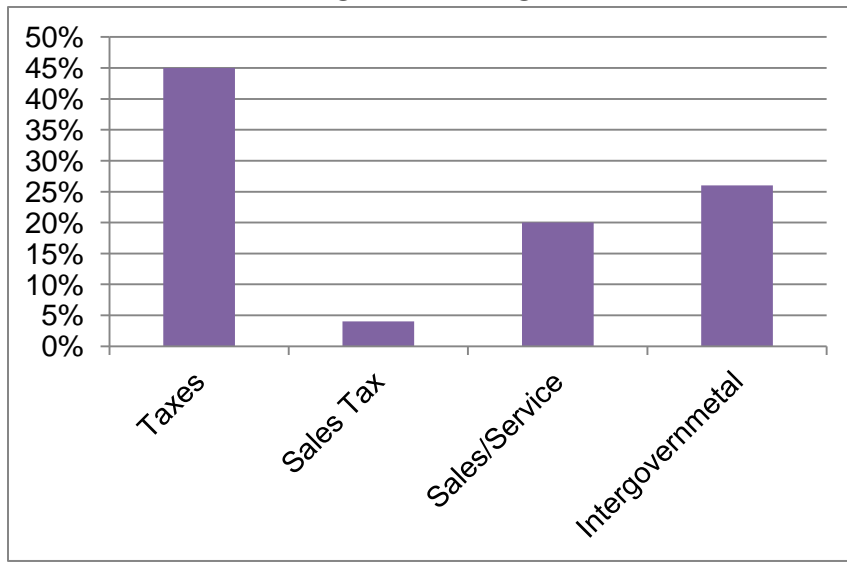


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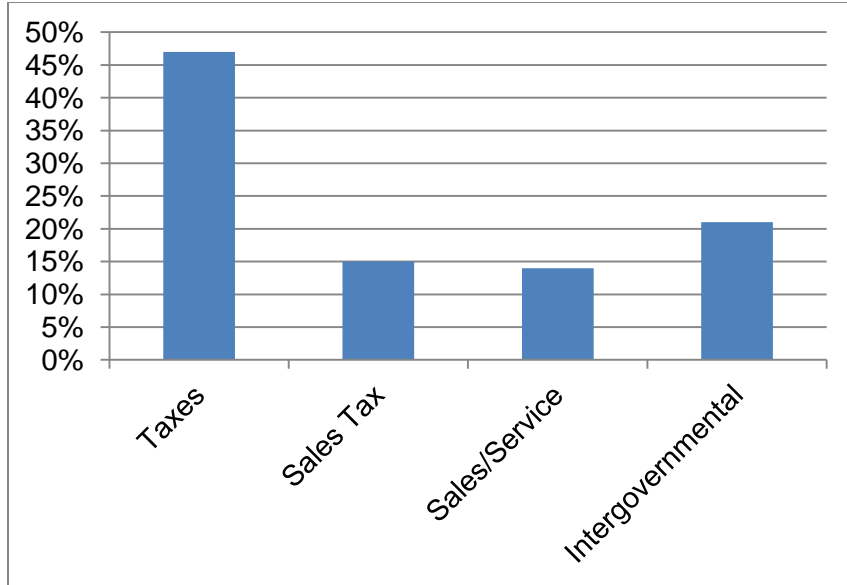


STILL MEASURING....
Revenues

NORTHAMPTON

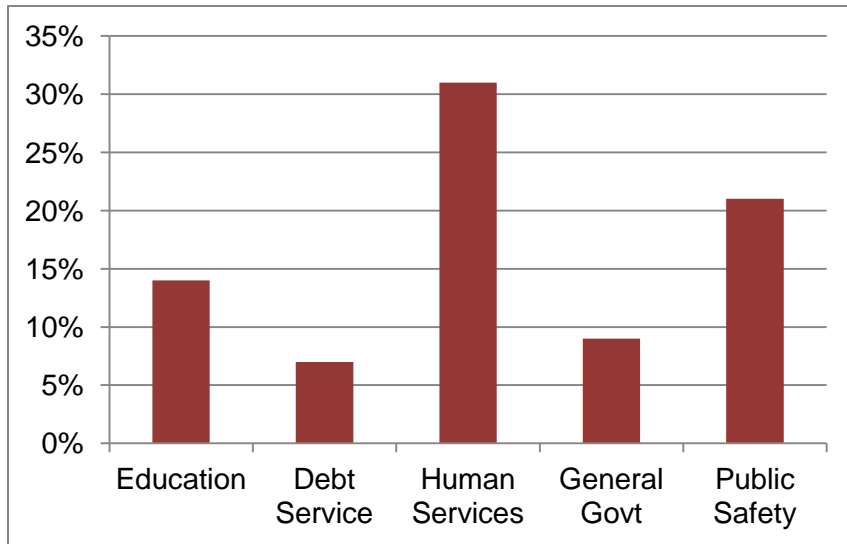


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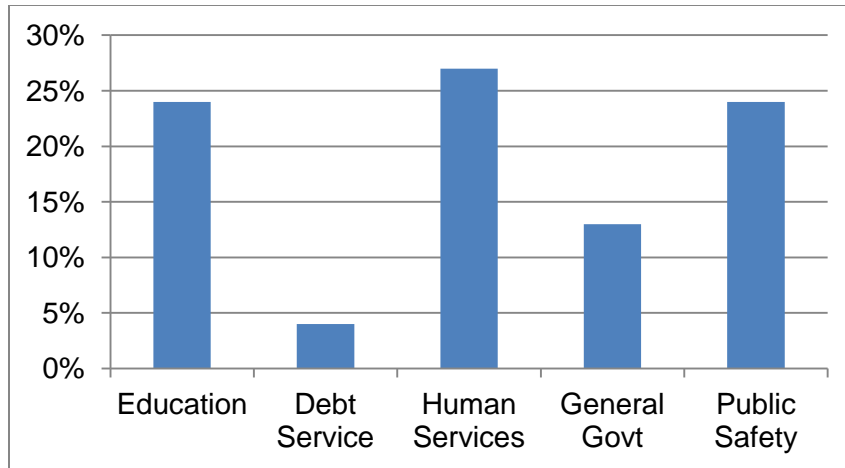


ALRIGHT – ENOUGH!
Expenditures

NORTHAMPTON



HERTFORD

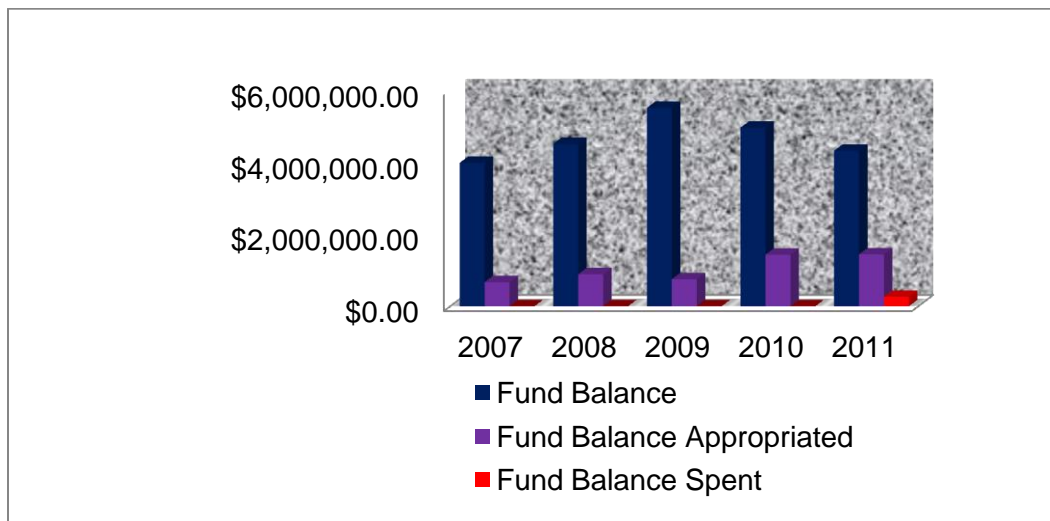


UNRESERVED FUND BALANCE

Fund balance is a measure of the financial resources available in a governmental fund, and is indicative of sound financial conditions within a fund.

Due to annual tax billing, cash flow can become an issue. The County's fund balance must be sufficient to cover fluctuations in revenues and provide for liquidity during the 1st and 2nd quarter.

The LGC requires a minimum unreserved general fund balance of eight percent. It is further recommended for counties within our population group maintain between fifteen and twenty five percent. Hertford County's fund balance is 24.05 percent.



GENERAL FUND CONCLUSION

This recommended budget reflects a little more than a three percent increase in spending compared to last fiscal year. However, utilizing growth and fund balance appropriated, the tax rate remains the same.

This budget furthers the Board’s commitment in planning for future capital project and operations in setting aside 15% of sales tax in a capital reserve fund. This amount is reflected in the budget as a transfer to other fund; however, is not being expended.

This budget restores some funding to non-profit and community based organizations that was suspended last fiscal year.

COLA for employees was also restored this budget year.

ENTERPRISE FUNDS
Self-Sustaining via User Fees

Hertford County uses enterprise funds to account for its water and solid waste activities and services. User fees are assessed annually and is the sole revenues source for each of these funds.

Current user fees are as follows:

- Solid Waste - \$115/Household
- Northern Water – \$25/2,000
- Southern Water -- \$25/2,000

There are no increases recommended for this fiscal year.

NORTHERN WATER

	2011-12	2012-13
Revenues		
Sales & Services	468,578	471,890
Miscellaneous	500	3,000
Investment income	-0-	-0-
TOTAL REVENUES	\$469,078	\$474,890
Expenditures		
Salaries	93,725	99,793
Operating Expenses	375,353	375,097
TOTAL EXPENDITURES	\$469,078	\$474,890

SOUTHERN WATER

	2011-12	2012-13

Revenues		
Sales & Services	1,058,720	1,061,500
Miscellaneous	3,000	3,000
Investment income	-0-	-0-
TOTAL REVENUES	\$1,061,720	\$1,064,500
Expenditures		
Salaries	156,076	156,768
Operating Expenses	905,644	907,732
TOTAL EXPENDITURES	\$1,061,720	\$1,064,500

SOLID WASTE

	2011-12	2012-13
Revenues		
Taxes & Licenses	952,008	924,000
Miscellaneous	100	150
Investment income	1,000	500
Fund Balance Appro.	-0-	62,666
TOTAL REVENUES	\$953,100	\$988,038
Expenditures		
Salaries	292,992	252,229
Operating Expenses	616,665	735,809
Fund Reserve	43,443	-0-
TOTAL EXPENDITURES	\$953,100	\$988,038

Commissioner Farmer entered during the presentation.

A Budget Work Session was scheduled for May 31 in the morning and a Joint Meeting with the Board of Education at 2:00 P.M. the same day.

On a motion by Hunter and a second by Mitchell, the Board voted unanimously to schedule a Public Hearing on the budget to be held on June 18, 2012, at 7:30 P.M.

On a motion by Hunter and a second by Farmer, the Board voted unanimously to schedule a Special Call Meeting to adopt the budget on June 26, 2012, at 9:00 A.M.

Chairman Freeman thanked Loria Williams for her work on the budget so far and to keep the tax rate the same.

On a motion by Hunter and a second by Mitchell, the Board voted unanimously to recess Regular Session to go into a scheduled Closed Session as allowed under G. S. 143-318.11 (a) (3) to consult with the County Attorney and (6) to discuss personnel matters.

CLOSED SESSION

Minutes of Closed Session are on file in the office of the Clerk to the Board.

REGULAR SESSION

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

Shelia W. Matthews
Clerk to the Board

Curtis A. Freeman, Sr., Chairman
Hertford County Commissioners