Minutes
Regular Meeting
Hertford County Board of Commissioners
County Commissioners’ Meeting Room
Monday, May 6, 2013
9:00 A.M.

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

Absent: William F. Mitchell, Jr.

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

The invocation for the meeting was provided by Commissioner Johnnie R. Farmer.

MINUTES
On a motion by Hunter and a second by Gatling, the Board voted unanimously to approve the minutes of the December 17, 2012, Regular Meeting as presented.

On a motion by Hunter and a second by Gatling, the Board voted unanimously to approve the minutes of the January 7, 2013, Regular Meeting as presented.

On a motion by Hunter and a second by Farmer, the Board voted unanimously to approve the minutes of the January 22, 2013, Regular Meeting as presented.

On a motion by Hunter and a second by Farmer, the Board voted unanimously to approve the minutes of the February 4, 2013, Regular Meeting as presented.

On a motion by Farmer and a second by Gatling, the Board voted unanimously to approve the minutes of the February 18, 2013, Regular Meeting as presented.

PERSONNEL
Holly Brooks, Director of Human Resources & Risk Services, introduced the following new employees:

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phil Deloatch</td>
<td>Inspections</td>
</tr>
<tr>
<td>Chris Cain</td>
<td>EMS</td>
</tr>
<tr>
<td>Johnell Davis</td>
<td>Jail</td>
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</table>
At this time, Ms. Brooks announced the Employee of the 1st Quarter as being Mrs. Norma Harrell from the Public Works Department. Mrs. Harrell had saved the County $60,000 by participating in a recycling program for used shingles. She received a certificate and a $250 gift card.

Commissioner Hunter suggested that her efforts should be submitted to the North Carolina Association of County Commissioners for further recognition.

BUDGET AMENDMENTS

On a motion by Hunter and a second by Gatling, the Board voted unanimously to approve the following Amendment No. 9 to the FY 2012-2013 Hertford County Budget Ordinance as presented by Robbin Stephenson, Finance Director:

AMENDMENT TO THE HERTFORD COUNTY BUDGET ORDINANCE
2012/2013
(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 Fund
- Elections – Telephone Reimbursements $ 587.00
- Public Building – Purchased Property/Building for Aging $ 60,000.00
- JCPC Certification Funds – Reimbursements $ 1,446.00

Public Safety
- Emergency Services – Purchased Ambulance $ 123,999.00

Human Services
- DSS – Funding Allocation for Day Care/Smart Start $ 63,699.00
- DSS – Transfer Funds to Special Assistance $ 44,024.00
- DSS – Transfer Funds from Salary and Rent $ (44,168.00)
- Work First Transportation $ 3,000.00
- Work First Emergency Assistance $ (3,000.00)

Total $ 249,587.00

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:
- Restricted Intergovernmental – DSS $ 63,555.00
Miscellaneous Revenue – Century Link Reimbursement $ 587.00
Miscellaneous Revenue – North., Bertie, Town of Ahoskie Reimb. $ 1,446.00
Fund Balance Appropriated $ 182,999.00

Total $ 249,587.00

This amendment:

- To purchase another Nutrition Site for the Seniors because of the increase in attendance to the center and reimbursement from Century Link for the November election
  Source of Funding: Fund Balance and Century Link

- To purchase another ambulance approved by the Board on April 15, 2013, for Emergency Services
  Source of Funding: Fund Balance

- To increase funding due to the Funding Authorization from the Division of Child Development
  Source of Funding: Federal and State

- Transfer of funds inter-departmental to assist client’s transportation needs of completing the required components. To provide special assistance and adoption needs for the general public at year end.
  Source of Funding: Federal Funding

- Juvenile Justice Christmas Dinner for the children shared by all constituents, Bertie, Northampton and Town of Ahoskie

EDC

Mr. Bill Early, EDC Director, was present requesting approval and authorization to submit a final application to the North Carolina Rural Center, on behalf of Structural Coatings Hertford, LLC, for an Infrastructure Grant for the installation of a rail spur. Approximately a year ago, the Board approved the Pre-Application for this project.

On a motion by Hunter and a second by Gatling, the Board voted unanimously to allow the Chairman to execute the application and contracts; to approve the required 5% match of $10,000; and to adopt the following resolution in support of and commitment to Structural Coatings Hertford, LLC:

AUTHORIZING RESOLUTION BY GOVERNING BODY OF THE APPLICANT
Economic Infrastructure Grants Program

WHEREAS, the North Carolina Rural Economic Development Center, Inc. (Rural Center) has authorized the awarding of grants from appropriated funds to aid eligible units of government in financing the cost of infrastructure activities needed to create jobs; and
WHEREAS, Hertford County needs assistance in financing an infrastructure project that may qualify for Rural Center funding; and

WHEREAS, Hertford County intends to request grant assistance for the Structural Coatings Hertford, LLC project from the Economic Infrastructure Grants Program;

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

That Hertford County will arrange financing for all remaining costs of the project, if approved for a grant.

That Curtis A. Freeman, Sr., Chairman and successors so titled, is hereby authorized to execute and file an application on behalf of The Hertford County Board of Commissioners with the Rural Center for a grant to assist in the above-named infrastructure project.

That Curtis A. Freeman, Sr., Chairman, and successors so titled, is hereby authorized and directed to furnish such information as the Rural Center may request in connection with an application or with the project proposed; to make assurances as contained in the application; and to execute such other documents as may be required in connection with the application.

That Hertford County has substantially complied or will substantially comply with all federal, state, and local laws, rules, regulations, and ordinances applicable to the project and to the grants pertaining thereto.

Adopted this 6th day of May, 2013, at Winton, Hertford County, North Carolina.

COUNTY PROPERTY/TAX FORECLOSURES

On a motion by Hunter and a second by Farmer, the Board voted unanimously to accept the bid offer in the amount of $3,100 from Chiquita Savage on the Lemuel E. Cotton, Heirs, tax foreclosure property (PIN #5995-54-2331). The property offer had been advertised for upset bids, and none were received.

On a motion by Hunter and a second by Farmer, the Board voted unanimously to accept an upset bid in the amount of $4,040 from Jeff Davis on the Wesley Ray Stewart tax foreclosure property (PIN #6915-55-5342). The County Attorney was authorized to readvertise for upset bids on the latest bid offer.

COUNTY MANAGER’S UPDATE

The County Manager shared with the Board the possibility of participating in an internship program through the North Carolina Association of County Commissioners. This will be further discussed during the budget work session.
The County Manager is evaluating another internship program through the Credit Union. This intern would be a local resident and a rising sophomore. This program would begin soon.

Discussion was also held regarding the closing of Highway Patrol Communications Centers. On a motion by Hunter and a second by Farmer, the Board voted unanimously to adopt the following resolution:

**RESOLUTION**

**OPPOSING GOVERNOR MCCRARY AND THE GENERAL ASSEMBLY CLOSING AND CONSOLIDATING NC HIGHWAY PATROL COMMUNICATIONS CENTERS**

WHEREAS, Governor Pat McCrory proposes closing three of eight NC Highway Patrol communication centers and consolidating them with the Raleigh office; and

WHEREAS, in an effort to control costs, plans are to close the State Highway Patrol stations in Williamston, as well as stations in Asheville and Greensboro; and

WHEREAS, the State Highway Patrol has more than 1,600 troopers who cover 78,000 miles in North Carolina roadways, enforcing the state’s traffic laws, guiding traffic during hurricane evacuations, rerouting traffic around hazardous chemical spills, and standing ready, should any act of terrorism occur; and

WHEREAS, the Williamston Highway Patrol Communication Center (Troop A), alone, processes 600 incoming calls daily (219,000 annually), serves 20 counties (Martin, Pitt, Beaufort, Washington, Tyrrell, Hyde, Dare, Currituck, Jones, Lenoir, Carteret, Craven, Pamlico, Hertford, Bertie, Gates, Chowan, Perquimans, Pasquotank, Camden) and dispatches to 180 troopers; and

WHEREAS, the Highway Patrol Communication Center has been remodeled and upgraded to house the latest equipment and technology; and

WHEREAS, the Highway Patrol Communication Center is a key employment center for our community; and

WHEREAS, although it has been suggested revenue may be saved through consolidation, a higher turnover of state jobs often occur in metropolitan areas, and the consolidation could actually end up costing more, due to personnel costs associated with employee turnover rates; and

WHEREAS, there is the concern that lives will be lost due to delayed response time caused by operators in a communication center centralized in Raleigh becoming overloaded and being unfamiliar with the area.

NOW, THEREFORE BE IT RESOLVED, the Hertford County Board of Commissioners strongly appeals to Governor McCrory to reconsider his recommendation to members of the
General Assembly to close the NC Highway Patrol communication centers in Williamston as well as in the Asheville and Greensboro to balance the state budget.

ADOPTED this the 6th day of May, 2013.

COMMISSIONERS’ COMMENTS

- All Commissioners congratulated the County Manager for her participation as the Guest Speaker during the Administrative Professionals Day Luncheon. They had heard nothing but good comments and thanked her for representing the County so well.

On a motion by Gatling and a second by Farmer, 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 Gatling, the Board voted unanimously to recess Regular Session to go into a meeting of the Hertford County Board of Equalization and Review.

BOARD OF EQUALIZATION AND REVIEW

Shelia W. Matthews, Clerk to the Board, administered the following oath of office to the Chairman who was absent at the previous Board of Equalization and Review Meeting:

OATH OF OFFICE

Board of Equalization and Review

I, Curtis A. Freeman, Sr., do solemnly swear (or affirm) that I will support and maintain the Constitution and laws of the United States, and the Constitution and laws of North Carolina not inconsistent therewith, and that I will faithfully discharge the duties of my office as a member of the Board of Equalization and Review of Hertford County, North Carolina, and that I will not allow my actions as a member of the Board of Equalization and Review to be influenced by personal or political friendships or obligations, so help me God.

MINUTES

HERTFORD COUNTY BOARD OF EQUALIZATION AND REVIEW MEETING

May 6, 2013

The Hertford County Board of Equalization and Review met again on Monday, May 06, 2013 at 10:00 A.M. in Room #222 of the Hertford County Office Building #1, Winton, North Carolina.
Members present were:

Curtis A. Freeman, Sr., Chairman
Johnnie R. Farmer
Howard J. Hunter, III
Ronald J. Gatling
Sylvia F. Anderson, Clerk

Also present was Charles L. Revelle, III, Attorney for Hertford County

Members absent were: William F. Mitchell, Jr., Vice-Chairman

Due to his absence in April for the opening of the Board of Equalization, Curtis A. Freeman, Sr., Chairman, took the oath required of the North Carolina Constitution.

On a motion to open the Board of Equalization and Review by Howard J. Hunter, III and seconded by Ronald J. Gatling, the meeting was called to order by Curtis A. Freeman, Sr., Chairman. Sylvia F. Anderson, Clerk to the Board, stated there were no appeals for 2013 and requested for the Board of Equalization and Review to close for 2013. On a motion by Ronald J. Gatling, and seconded by Howard J. Hunter, III, the Board of Equalization and Review adjourned for the year 2013.

Sylvia F. Anderson
Clerk to the Board of Equalization and Review

BUDGET
Loria D. Williams, County Manager, presented the FY 2013-2014 Hertford County Budget Message as follows:

HORTFORD COUNTY ANNUAL BUDGET PRESENTATION
FISCAL YEAR 2013-2014
Loria D. Williams, County Manager

BUDGET COMPOSITION

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

BUDGET DRIVERS
State & Local Outlook
COMPARISON -- 2013
- Insurances (GL, WC, Health) costs - $1,745,096
- Retirement Contribution (General Class - 6.74%; LEO – 6.77%
- Unemployment Insurance – $13,811
- Economy -- Sales Taxes (slow incline) - $3,315,000
- Capital Projects --$517,510

COMPARISON -- FY 2014
- Insurances (GL, WC, Health) costs - $1,873,031
- Retirement Contribution (General Class – 7.07%; LEO – 7.28% - $50,000
- Unemployment Insurance & Set Aside (1% of taxable wages up to $20,900) - $100,000
- Economy -- Sales Taxes (slight decline projected) - $3,295,505
- Capital Projects --$412,500

VALUE AND GROWTH FACTORS
Property Valuation dictates Tax Rate

Tax Rate - Formula Driven
The estimated taxable value for 2013-14 is $1,499,688,308. Therefore, with a tax rate of .84 cents and a collection rate of 95%, the projected property tax revenue is $11,967,729, using the following formula:

$1,499,688,308 x 0.84 cents x .95 x .01 equals $11,967,729. Compared to last year’s tax revenue of $11,717,733 – expansion dollars $249,996.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Assessed Value</th>
<th>Growth Factor</th>
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</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,186,007,557</td>
<td>2.31%</td>
</tr>
<tr>
<td>2009</td>
<td>1,203,330,247</td>
<td>1.46%</td>
</tr>
<tr>
<td>2010</td>
<td>1,203,017,301</td>
<td>Loss value</td>
</tr>
<tr>
<td>2011</td>
<td>1,225,174,825</td>
<td>2%</td>
</tr>
</tbody>
</table>
REVENUE FACTORS

• Ad Valorem Taxes – This year’s increased values will generate an additional $249,996 in the tax levy, representing a four percent increase compared to last year. Ad valorem taxes makeup 54% 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 3% reduction in this fund due to federal cuts in human services programming, namely Social Service Block Grant (SSBG) and loss in the federal reimbursement for Child Support Enforcement..

• Sales Tax – Due to slow recovery in the economy, sales tax (which used to account for as much as 22% of the revenue stream) make up 14% is projected slightly below last year’s budget.

• Fund Balance Appropriated – With no projects capital projects identified for the upcoming year, there is a slight reduction in fund balance appropriated from previous years.

RECOMMENDED BUDGET

• Reflects a General Fund Budget of $23,146,166 maintaining the tax rate of $0.84/100 valuation. This rate is based upon an estimated valuation of real and personal property of $1,499,688,308 and a collection rate of 95 percent.

• Reflects an appropriated fund balance of $1,173,769 of which is five percent (5%) of the operational budget. Fund balance appropriated represents the difference between revenues and expenditures.

• One cent is equivalent to $142,470 in comparison to last planning year’s one cent equivalent of $138,028.
• Outside agencies (public schools, health department & community college) requested an additional $797,088 (five cents) in funding. However, this budget funds those agencies at level funding. Department heads requested an additional $998,915 (seven cents) in funding. For the most part, departments were held to level funding as well.

• This budget does not provide for a COLA for employees; however, funds 100% of employee health benefits and longevity.

**EXPENDITURE FACTORS**

• General Government – Slight decrease is due to completion of capital projects (non-recurring) this fiscal and earmarked sales tax revenues in the amount of $100,000 diverted to the capital reserve fund.

• Human Services – The reduction in this function is due to federal cuts in the SSBG Block Grant that funds.

• Education – This slight reduction in education is due to capital outlay to schools being appropriated on a project by project basis; budget will be amended to reflect allocation when Board approves same.

• Public Safety – Slight increase due to workers’ compensation and General Liability insurances.

**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.

During the past three fiscal years, we have allocated over $1.6 million of fund balance to cover several capital projects. Fund balance has been at an all time high of 30%; however, we are currently below 20% as estimated by the finance officer.

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.

**GENERAL FUND CONCLUSION**
This recommended budget reflects five percent reduction from current year budgeting. Please note that the decrease is due in part to completion of several capital projects, as well as the recent Board action to appropriate school capital outlay only on a project by project basis.

This budget follows the debt affordability analysis by setting aside the ¼ cents sales tax, as well as an additional 15% of the one cent sales tax in a capital reserve fund for debt payments due to start this fiscal year.

This budget restores funding to non-profit and community based organizations to previous years; allocations.

**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 at this time.

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<thead>
<tr>
<th></th>
<th>2012-13</th>
<th>2013-14</th>
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<tbody>
<tr>
<td><strong>NORTHERN WATER</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>2012-13</td>
<td>2013-14</td>
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<tr>
<td>------------------------------</td>
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<td>------------</td>
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<tr>
<td><strong>Sales &amp; Services</strong></td>
<td>474,342</td>
<td>475,700</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>3,000</td>
<td>1,000</td>
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<tr>
<td><strong>Investment income</strong></td>
<td>-0-</td>
<td>-0-</td>
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<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>$477,342</td>
<td>$476,700</td>
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<table>
<thead>
<tr>
<th>Expenditures</th>
<th>2012-13</th>
<th>2013-14</th>
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<tbody>
<tr>
<td><strong>Salaries</strong></td>
<td>102,275</td>
<td>88,654</td>
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<tr>
<td><strong>Operating Expenses</strong></td>
<td>375,067</td>
<td>388,046</td>
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<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>$477,342</td>
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**SOUTHERN WATER**

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<tr>
<th>Revenues</th>
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<tbody>
<tr>
<td><strong>Sales &amp; Services</strong></td>
<td>1,064,983</td>
<td>1,010,500</td>
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<tr>
<td><strong>Miscellaneous</strong></td>
<td>3,000</td>
<td>26,000</td>
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<tr>
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<td>1,064,983</td>
<td>1,010,500</td>
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<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>2012-13</td>
<td>2013-14</td>
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<tr>
<td>Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes &amp; Licenses</td>
<td>977,246</td>
<td>900,654</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>150</td>
<td>100</td>
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<tr>
<td>Investment income</td>
<td>500</td>
<td>300</td>
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<tr>
<td>Fund Balance Appropriated</td>
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<tr>
<td>TOTAL REVENUES</td>
<td>$1,300,753</td>
<td>$901,054</td>
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<tr>
<th><strong>TOTAL EXPENDITURES</strong></th>
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<th>2013-14</th>
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<tr>
<td>Salaries</td>
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<td>177,917</td>
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<tr>
<td>Operating Expenses</td>
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<td>858,583</td>
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<tr>
<td>TOTAL EXPENDITURES</td>
<td>$1,067,983</td>
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<tr>
<th><strong>SOLID WASTE</strong></th>
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<td>Revenues</td>
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<th>Expenditures</th>
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<tbody>
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<td>Salaries</td>
<td>273,337</td>
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<td>Operating Expenses</td>
<td>1,027,416</td>
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<td>Fund Reserve</td>
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A Budget Work Session was scheduled for Tuesday, May 14, at 9:00 A.M.

**BOARD APPOINTMENTS/DSS BOARD**
Chairman Freeman announced that he was stepping down from the Hertford County DSS Board. On a motion by Gatling and a second by Freeman, the Board voted unanimously to appoint Commissioner Mitchell to replace Chairman Freeman on the Hertford County DSS Board.

**TUNIS SEWER PROJECT**
Ms. Williams, County Manager, reminded the Board of the Tunis Sewer Project Groundbreaking would be May 9 at 6:15 P.M. followed by an informational session held at the church at 6:30 P.M.

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