

Minutes  
Regular Meeting  
Hertford County Board of Commissioners  
Multi-Purpose Room – Judicial Center  
Monday, May 16, 2016  
7:00 P.M.

Present: Ronald J. Gatling, F. Garry Lewter, Curtis A. Freeman, Sr.; and William F. Mitchell, Jr.

Absent: Johnnie R. Farmer

Also Present with the Board: Loria D. Williams, County Manager; Maria Jones, Interim County Attorney; M. Ray Wiggins, Assistant County Manager; and Shelia W. Matthews, Clerk to the Board

Chairman Ronald J. Gatling called the meeting to order and provided the invocation, including a special prayer for Commissioner Farmer.

**COMMISSIONERS**

On a motion by Mitchell and a second by Freeman, the Board voted unanimously to amend the agenda to include Memo #8494 (A) to consider canceling the July 5<sup>th</sup> Board Meeting.

**CONSENT AGENDA**

On a motion by Freeman and a second by Mitchell, the Board voted unanimously to approve the consent agenda as presented with the following items:

- (1) Acceptance of Reports
  - (a) Tax Releases – April, 2016
  - (b) Tax Collection Percentage Report

The approved tax releases are as follows:

TOTAL VALUE APPROVED THIS REPORT (2015 LEVY)	75,658.00
TOTAL TAX RELEASED THIS REPORT (2015 LEVY)	842.77
TOTAL VALUE APPROVED THIS REPORT (PRIOR LEVY)	194,506.00
TOTAL TAX RELEASED THIS REPORT (PRIOR LEVY)	2,053.42
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2015)	150.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2015)	150.00
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2014)	65.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2014)	65.00
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2013)	65.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2013)	65.00

TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2012)	00.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2012)	00.00
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2011)	00.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2011)	00.00
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2010)	00.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2010)	00.00
TOTAL TAX RELEASED THIS REPORT (W01 COLL/RECYCLE 2009)	00.00
TOTAL TAX RELEASED THIS REPORT (W02 LANDFILL OPERATION 2009)	00.00
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

**COUNTY PROPERTY/TAX FORECLOSURES**

Maria Jones, Interim County Attorney, explained to the Board that bids on the Jean Felton tax foreclosure property (PIN #6906-84-4586) had been upset a number of times and suggested tabling the matter until County Attorney Revelle discussed an alternative plan with them.

On a motion by Freeman and a second by Lewter, the Board voted unanimously to table the acceptance of an upset bid on the Jean Felton tax foreclosure property (PIN #6906-84-4586).

**JUVENILE CRIME PREVENTION COUNCIL**

On a motion by Mitchell and a second by Freeman, the Board voted unanimously to approve the Juvenile Crime Prevention Council (JCPC) Funding Plan for FY 2016-2017 as presented by Loria D. Williams, County Manager.

**BUDGET**

Loria D. Williams, County Manager, presented the Proposed FY 2016-2017 Hertford County Budget as follows:

**HERTFORD COUNTY ANNUAL BUDGET PRESENTATION  
FISCAL YEAR 2016-2017**

**Loria D. Williams, County Manager**

**BUDGET COMPOSITION**

- **General Fund**
- **Enterprise Funds – Solid Waste, Northern/Southern Water& Tunis Sewer Districts**
- **E-911 Fund**

- Register of Deeds Enhancement Fund
- Capital Reserve Funds – Schools & County

**BUDGET DRIVERS**  
Increased Operations

- Courthouse & Government Center
- E-911 Communications
- Debt Service
- Personnel

**VALUE AND GROWTH FACTORS**  
Property Valuation dictates Tax Rate

**Tax Rate - Formula Driven**

The estimated taxable value for 2016-17 is \$1,584,075,678. Therefore, with a tax rate of .84 cents and a collection rate of 95%, the projected property tax revenue is \$12,640,924, using the following formula:

$\$1,584,075,678 \times 0.84 \text{ cents} \times .95 \times .01 = \$12,640,924$ . Compared to last year's tax revenue of \$12,356,721 – resulting in expansion dollars for this planning year \$284,203.

Fiscal Year	Assessed Value	Growth Factor
2011	1,225,174,825	2%
2012	1,389,428,276	13%
2013	1,468,387,603	6%
2014	1,499,688,308	2%
2015	1,534,006,546	-1%
2016	1,548,461,254	-1%
2017	1,584,075,678	-1%

**REGIONAL TAX RATE COMPARISON**

- Counties in the region have increased taxes over a five year period – some as much as 14 cents\*\*.

- Hertford County has not only provided quality services, but also improved its physical plant and infrastructure, while maintaining its tax rate!
- How's that possible....

	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
Bertie	.78	.78	.78*	.84	.84	.84
Martin	.67	.67	.67	.72	.72	.7350
Northampton	.87*	.87	.92	.92	.92	.92
Chowan	.6850	.6850	.6850	.69	.70	.7250
Hertford	.84*	.84	.84	.84	.84	.84

**REGIONAL SPENDING COMPARISON**  
How We Spend Tax Dollars

**HERTFORD COUNTY**

<u>Category</u>	<u>Total</u>	<u>Per Capita</u>
Education	\$5,569,187	\$226
Debt Service	\$1,118,664	\$45
Human Services	\$6,601,341	\$268
General Government	\$3,614,537	\$146
Public Safety	\$6,520,493	\$264
Other	\$2,293,217	\$93
<b>Total</b>	<b>\$25,717,439</b>	<b>\$1,042</b>

**BERTIE COUNTY**

<u>Category</u>	<u>Total</u>	<u>Per Capita</u>
Education	\$3,235,769	\$156
Debt Service	\$3,982,551	\$192
Human Services	\$4,993,674	\$241
General Government	\$2,996,922	\$144
Public Safety	\$7,086,321	\$341
Other	\$3,148,451	\$152
<b>Total</b>	<b>\$25,443,688</b>	<b>\$1,226</b>

**NORTHAMPTON COUNTY**

<u>Category</u>	<u>Total</u>	<u>Per Capita</u>
Education	\$3,751,623	\$169
Debt Service	\$10,971,986	\$497
Human Services	\$14,291,448	\$647
General Government	\$3,462,960	\$157
Public Safety	\$8,810,614	\$399
Other	\$10,626,257	\$481

<b>Total</b>	<b>\$51,914,888</b>	<b>\$2,350</b>
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### **REVENUE FACTORS**

**Ad Valorem Taxes (\$13,388,647) – This year’s estimated values will generate an additional \$284,203 in the tax levy, representing a less than one percent increase from last budget planning year. Ad valorem taxes makeup 48% of the county’s revenue stream.**

**Restricted Intergovernmental Funds (\$4,779,647) – Offsetting federal and state revenues account for 16% of the revenue stream – a slight increase in federal and state funds compared to last budget planning year. These funds are restricted to the Human Services areas of the budget.**

**Sales Tax (\$4,265,000) – The General Assembly during its last session approved a new Article 44 Local Option Sales Tax Distribution (to address “sales tax leakage) to become effective July 2016. These funds can only be used for public schools, community colleges and economic development and is estimated to generate an additional \$283,000. With this increased funding, Sales Tax still makes up 14% of the revenue stream.**

**Fund Balance Appropriated (\$1,657,004) – There is an increase in Fund Balance Appropriated in this year’s recommended budget – from approximately 4 to 6 percent of the operational budget (more than in years past).**

### **EXPENDITURE FACTORS**

**General Government (\$5,284,935) – A modest increase in this area to facilitate the cost of doing business. General Government represents 19% of the operational budget.**

**Human Services (\$6,635,885) – Again, a modest increase, roughly 2% is mostly the cost of doing business with this category representing 24% of the operational budget. Again, we receive \$4,779,647 in federal/state offsetting revenues in support of human service provisions.**

**Education (\$6,869,463) – A considerable increase (10%) due to capital projects and the increased funding from Sales Tax that can be slated for public schools and community colleges. Education represents 24% of the operational budget.**

Public Safety (\$6,688,072) – A considerable increase (10%) is the result of full operations of E911 Center, and increase to law enforcement salaries per Board priority. Public Safety represents 24% of the operational budget. Please note that this category is funded rough 95% through tax dollars.

**LET’S GET DOWN TO BRASS “TAX”  
“Pun Intended”**

**Expansion Items**

COLA @3%	\$ 218,158
Health Insurance Increase	93,600
E911 – Full Operations	161,525
Roanoke-Chowan Community College	155,000
Hertford County Public Schools	125,000
Hertford County Public Health Authority	50,000
Debt Service – County Admin. Renovation	303,076
Salary Increases – Law Enforcement	112,000
Deputy Emergency Management Dir.	48,230
Courthouse Operations	76,000
Vehicles	<u>107,000</u>
<b>Total</b>	<b>\$1,449,589</b>

**\*\*Note: Of the above expansion items, \$1,342,589 are recurring costs!**

**Offsetting Revenues**

Ad Valorem Tax Growth	\$ 284,203
New Article 44 Sales Tax	250,000
E911 Proportionate Cost Share	136,796
Federal Reimbursement – County Renov.	175,000
Liquidated Damages Saving to Debt Serv.	366,869
Miscellaneous Savings	50,000
Fund Balance Appropriated	<u>207,000</u>
<b>Total</b>	<b>\$1,469,868</b>

**Note: Of the above stated revenues, \$845,999 are recurring revenues! Leaving a difference of \$496,590, an equivalent of 0.033 cents. Please note any additional spending will only add to this gap in subsequent years.**

**RECOMMENDED BUDGET**

- Reflects a General Fund Budget of \$27,692,813, an increase of roughly 6% above last year's recommended budget while maintaining the tax rate of \$0.84/100 valuation. This rate is based upon an estimated valuation of real and personal property of \$1,584,075,678 and a collection rate of 95 percent.
- Reflects an appropriated fund balance of \$1,657,004 (compared to last year's \$1,423,504) which is five percent (5%) of the operational budget. Fund balance appropriated represents the difference between revenues and expenditures.
- One cent is equivalent to \$150,487 in comparison to last planning year's one cent equivalent of \$147,104.
- Outside agencies (public schools, health department & community college) receives an additional \$330,000 in current expense and capital outlay funding supplemented by the new Article 44 Sales Tax.
- This budget "trues up" the 3% COLA for employees that became effective January 1<sup>st</sup> paid with fund balance; funds 100% of employee health benefits and provides longevity bonuses.

#### 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.

Fund balance is currently at its highest level of 37.74%; however, we have increased our appropriated fund balance for this year by roughly \$500,000 for salary increases and capital projects. I anticipate spending some fund balance to close FY 15/16.

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 six percent increase (6%), compared to this year's recommended budget.

This budget follows the debt affordability analysis by setting aside the ¼ cents sales tax, as well as an additional 10% of the one cent sales tax in a capital reserve fund for debt payments of which we are in the third year of a 20-year debt repayment plan.

**ENTERPRISE FUNDS**  
**Self-Sustaining via User Fees**

Hertford County uses enterprise funds to account for its water/sewer 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 - \$150/Household
- Northern Water – \$25/2,000
- Southern Water -- \$25/2,000
- Tunis Sewer -- \$56/2,000

We are not recommending any increases in fees this fiscal year.

<b>NORTHERN WATER</b>		
	<b>2015-16</b>	<b>2016-17</b>
<b>Revenues</b>		
<b>Sales &amp; Services</b>	491,700	490,110
<b>Miscellaneous</b>	2,000	25,700
<b>Investment income</b>	-0-	-0-
<b>TOTAL REVENUES</b>	<b>\$493,700</b>	<b>\$515,810</b>
<b>Expenditures</b>		
<b>Salaries</b>	122,536	145,627
<b>Operating Expenses</b>	371,164	370,183
<b>TOTAL EXPENDITURES</b>	<b>\$493,700</b>	<b>\$515,810</b>

**SOUTHERN WATER**

	2015-16	2016-17
<b>Revenues</b>		
Sales & Services	1,076,150	980,000
Miscellaneous	-0-	51,700
Investment income	-0-	-0-
<b>TOTAL REVENUES</b>	<b>\$1,076,150</b>	<b>\$1,031,700</b>
<b>Expenditures</b>		
Salaries	150,717	156,305
Operating Expenses	925,433	875,395
<b>TOTAL EXPENDITURES</b>	<b>\$1,076,150</b>	<b>\$1,031,700</b>

**TUNIS SEWER DISTRICT**

	2015-16	2016-17
<b>Revenues</b>		
Sales & Services	30,048	28,000
<b>TOTAL REVENUES</b>	<b>\$30,048</b>	<b>\$28,000</b>
<b>Expenditures</b>		
Operating Expenses	30,048	28,000
<b>TOTAL EXPENDITURES</b>	<b>\$30,048</b>	<b>\$28,000</b>

**SOLID WASTE**

	2015-16	2016-17
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<b>Revenues</b>		
Taxes & Licenses	1,000,500	994,000
Miscellaneous	-0-	-0-
Investment income	-0-	-0-
Fund Balance Appropriated	-0-	-0-
<b>TOTAL REVENUES</b>	<b>\$1,000,500</b>	<b>\$994,000</b>
<b>Expenditures</b>		
Salaries	355,910	349,075
Operating Expenses	644,590	644,925
Fund Reserve	-0-	-0-
<b>TOTAL EXPENDITURES</b>	<b>\$1,000,500</b>	<b>\$994,000</b>

After the Annual Budget Presentation, Ms. Williams reminded the Board that work sessions needed to be schedule, as well as Public Hearing on the proposed budget.

On a motion by Freeman and a second by Lewter, the Board voted unanimously to schedule the Public Hearing on the proposed FY 2016-2017 Hertford County Budget on June 20, 2016, at 7:30 P.M. and then schedule a meeting the following week to adopt the budget.

### **PUBLIC COMMENT PERIOD**

Mr. Bill Harris, concerned citizen, was present to request assistance with the re-establishment of herring fishing for individuals, not commercial fisherman. Originally, the ban on herring fishing was supposed to have been for 4-to-5 years to build up the population. It has now been 8 years. The population now is greater than it has been in 15-to-20 years. Mr. Harris just learned today that there is a bill in the House to lift the ban and ask the Board to send a letter of support to the House of Representatives.

On a motion by Freeman and a second by Mitchell, the Board voted unanimously to send a letter in support of herring fishing for recreational purposes to be sent to Representative Howard Hunter, III; Senator Erica Smith-Ingram; NC Wildlife Resources Commission; and Division of Marine Fisheries.

Mr. Tyrone Lindsay, Director of the Ahoskie Housing Authority, addressed the Board regarding the homeless population in Hertford County. The Hertford County Regional Committee to End Homelessness has been formed. This committee was approved by the North Carolina Committee to End Homelessness in February. Mr. Lindsay and Pat Byrd are the co-founders of this committee. He shared information

with the Board and urged them to check out the website [www.endhomelessness.org](http://www.endhomelessness.org). Mr. Lindsay wanted to make the County aware of this committee and asked for their endorsement.

### **COUNTY MANAGER'S UPDATE**

The County Manager informed the Board that closing would be held tomorrow at 2:00 P.M. on the County Office Building #1 Renovation Project.

On a motion by Freeman and a second by Lewter, the Board voted unanimously to amend the agenda to add an item during County Manager's Update to approve a resolution conveying surplus property.

On a motion by Lewter and a second by Freeman, the Board voted unanimously to approve the following resolution as presented by M. Ray Wiggins, County Manager:

**RESOLUTION APPROVING  
THE CONVEYANCE OF SURPLUS PROPERTY  
TO HERTFORD COUNTY PUBLIC SCHOOLS  
TO TWIN OAKS AND TWINS ADULT HOME OF COMO, NC**

**WHEREAS**, under G.S. 160A-280 a county may donate to another governmental unit within the United States, a sister county, or a nonprofit organization incorporated by the United States any personal property, including supplies, materials, and equipment, that the governing board deems to be surplus, obsolete or unused; and

**WHEREAS**, this same statute requires the county to post a public notice at least five days prior to the adoption of a resolution approving said donation; and

**WHEREAS**, on Thursday, May 12, 2016 a notice of intent to donate surplus/unused property was posted at the Courthouse and County Administration Office Building #1.

**NOW, THEREFORE BE IT RESOLVED** by the Hertford County Board of Commissioners that:

1. The furniture items listed in Attachments I, and II, which are located in the County Administration Building 1 and the old County Courthouse; and
2. Said unused surplus furniture is hereby donated to the Hertford County Public Schools, and the Twin Oaks and Twins Adult Home in Como, NC in accordance with G.S. 160A-280.

Adopted this the 16<sup>th</sup> day of May 2016.

### **ATTACHMENT I**

### **NOTICE OF INTENT TO DONATE SURPLUS/UNUSED PROPERTY LISTED TO**

**HERTFORD COUNTY PUBLIC SCHOOLS**

**IN ACCORDANCE WITH G.S. 160A-280**

1. Wood Desk with left return (2)
2. 2 Drawer Lateral File Cabinet (2)
3. Metal Supply Cabinet (3)
4. Wood Bookcase
5. 72" Folding Table (4)

**ATTACHMENT II**

**NOTICE OF INTENT TO DONATE SURPLUS/UNUSED PROPERTY LISTED TO  
TWIN OAKS AND TWINS ADULT HOME**

**IN ACCORDANCE WITH G.S. 160A-280**

1. Wood Desk with left return (2)
2. High Back Fabric Desk Chair with Arms and Wheels
3. 5 Drawer Vertical File Cabinet (5)
4. Reception/Guest Chair with Back and Arms (9)
5. Wood Chair with Back and Arms (10)
6. Wood Bookcase
7. Wood Document Shelving
8. Metal Entertainment Center
9. Plastic Green Chair (9)
10. Metal Mobile Podium
11. Large Round Folding Table
12. Cherry Wood Meeting Table
13. Drapes (6)

Mr. Wiggins informed the Board that the vehicle online auction would end May 23, 2016. At the present time, half of the vehicles have bids on them and half of them do not.

**COMMISSIONERS**

On a motion by Freeman and a second by Lewter, the Board voted unanimously to cancel the Regular Meeting of the Hertford County Board of Commissioners scheduled for 9:00 A.M. on Tuesday, July 5, 2016.

**COMMISSIONERS' COMMENTS**

There were no comments made by the County Commissioners.

On a motion by Lewter and a second by Mitchell, the Board voted unanimously to adjourn the meeting.