

**PASQUOTANK COUNTY, NORTH CAROLINA
JUNE 7, 2010**

The Pasquotank County Board of Commissioners met today in a budget work session on Monday, June 7, 2010 in the Community Room at the Pasquotank County Public Safety Building.

MEMBERS PRESENT: Marshall Stevenson, Chairman
Bill Trueblood
Matt Wood
Cecil Perry
Jeff Dixon
Charles H. Jordan

MEMBERS ABSENT: Lloyd E. Griffin III, Vice-Chairman

OTHERS PRESENT: Randy Keaton, County Manager
Rodney Bunch, Assistant County Manager
R. Michael Cox, County Attorney
Sheri Small, Finance Officer
Karen S. Jennings, Clerk to the Board

The meeting was called to order at 3:00 PM by Chairman Marshall Stevenson. He stated that the purpose of today's work session is to have further discussion on budget issues.

County Manager Randy Keaton presented an updated spreadsheet showing revenues and expenditures using a three cent tax increase and \$36,227 of fund balance. Commissioner Bill Trueblood stated that the Board will need to make hard cuts or continue to raise taxes. Commissioner Charles Jordan commented that when the Board makes budget cuts, it needs to be sure the county can still provide services, such as Fire Marshal services. Mr. Keaton explained that the county will still be able to provide basic Fire Marshal services and will meet statutory responsibilities, but the services will not be enhanced as they currently are.

Commissioner Matt Wood noted that by not using fund balance this year and as sales tax revenues recover he believes the county will be able to build fund balance.

Mr. Keaton provided a summary showing what effect a three cent tax increase, a \$12 solid waste fee increase and a proposed water rate increase would have on property owners with a \$100,000 house and a \$200,000 house.

After further discussion, the work session was adjourned at 3:45 PM.

CHAIRMAN

CLERK

**PASQUOTANK COUNTY, NORTH CAROLINA
JUNE 7, 2010**

The Pasquotank County Board of Commissioners met today in a regular meeting on Monday, June 7, 2010 in Courtroom C in the Pasquotank County Courthouse.

MEMBERS PRESENT: Marshall H. Stevenson, Jr., Chairman
Lloyd E. Griffin III, Vice-Chairman
Bill Trueblood
Matt Wood
Cecil Perry
Jeff Dixon
Charles H. Jordan

MEMBERS ABSENT: None

OTHERS PRESENT: Randy Keaton, County Manager
Rodney Bunch, Assistant County Manager
R. Michael Cox, County Attorney
Karen Jennings, Clerk to the Board

The meeting was called to order at 7:00 PM by Chairman Marshall Stevenson. Rev. Toni Wood, Pastor of Newland United Methodist Church, gave the invocation and Vice-Chairman Lloyd Griffin led in the Pledge of Allegiance to the American Flag.

1. REQUEST FOR APPROVAL OF 4TH OF JULY FIREWORKS SHOW:

Chairman Stevenson recognized Ms. Bobbi White, Parks & Recreation Director for the City of Elizabeth City. Ms. White explained that for years the 4th of July fireworks were sponsored by the Elizabeth City Jaycees and in 2004 the Jaycees determined that they could no longer sponsor the fireworks. She said there were no fireworks in 2005, and beginning in 2006 the Tourism Development Authority became the sponsoring agency for the fireworks and continued to do so through 2009. The TDA has advised that they are no longer able to sponsor the annual 4th of July celebration and so far no other organization or agency has stepped forward. Ms. White said the TDA conducted a statewide survey and found that in most cities the 4th of July celebrations were sponsored by the local parks and recreation departments followed by the local Chamber of Commerce and then community groups. She advised that at this time Dr. Dan Terryberry has agreed to purchase the fireworks at a cost of \$24,000 for the 40 minute show. She said he is a certified fireworks operator and is in the process of getting all of his state permits for the closing of the Pasquotank River and his licensing for shooting off the fireworks. The fireworks will be deployed from a barge in the Pasquotank River owned by Mr. Lloyd Griffin. Ms. White explained that there will be other costs associated with the celebration such as portajohns, liability insurance, bands, PA system, etc. She stated that the Chamber of Commerce has offered to provide youth activities at Waterfront Park from 6:00 to 8:00 PM along with the Parks & Recreation Department's activities for adults and children. She said they will be contacting non-profit organizations to offer concessions throughout the event. She stated that at this point the city has offered to provide \$8,000 through the TDA toward the purchase of the fireworks, contingent upon the county offering the same amount. She said they have been contacted by several individuals who have promised to donate \$500, and Councilman Tony Stimatz has challenged all city councilors and county commissioners to match or exceed his pledge of \$500. She stated that the assistance of several city departments, including fire, police, public works, and the parks and recreation department, will be needed to organize, supervise and clean up after the event. Ms. White requested that the Board of Commissioners authorize the Elizabeth City Parks & Recreation Department to become the sponsoring agency for the 2010 Elizabeth City 4th of July celebration. This would enable the Parks & Recreation Department to have the authority to solicit funds from the community for the event. Ms. White noted that state law requires approval from the Board of County Commissioners for any fireworks show in the county.

The Board discussed funding for the fireworks display. The County Manager stated that the Board of Commissioners had previously approved \$6,000 and the City Council has approved \$8,000, contingent upon the county providing the same amount. Commissioner Dixon advised that the original amount that was allocated was \$8,000, and then two more requests for tourism funds were submitted and \$2,000 was taken for those events. The County Manager said he is unsure of the current amount of leftover tourism funds for this year as it would be dependent upon occupancy tax collections. Commissioner Dixon stated that there are still two months of

collections that will be received before July 1. He said he would suggest that any remaining funds over projections up to \$2,000 be given for the fireworks display.

Vice-Chairman Griffin asked to be excused from considering this matter because he is a participant in the fireworks show.

Motion was made by Matt Wood, seconded by Jeff Dixon to excuse Vice-Chairman Griffin from considering matters related to the 2010 4th of July fireworks show. The motion carried.

Motion was made by Matt Wood, seconded by Jeff Dixon to adopt a resolution approving the 4th of July Fireworks Show to be sponsored by the City of Elizabeth City. The motion carried.

Motion was made by Jeff Dixon, seconded by Matt Wood to confirm the initial allocation of \$6,000 in tourism funds for the 4th of July Fireworks Show, and if there are any surplus funds remaining in the county's reserve tourism fund for the fiscal year to use them to make up the difference between the \$6,000 already allocated and the \$8,000 requested for the fireworks show, not to exceed a total of \$8,000. The motion carried.

2. COMMENTS FROM COUNCILMAN TONY STIMATZ:

Chairman Stevenson recognized City Councilman Tony Stimatz. Mr. Stimatz said he would like to thank the Board of Commissioners for its efforts in regard to the Main Street Extended culvert issue. He stated that although the Board has been working on it, the task is still ahead to get this fixed and he urged the Board to keep up its efforts. He said the City Council would be willing to help out however they can. Chairman Stevenson said the Board sent a letter to Transportation Board Member Stan White asking that the culverts be replaced with a bridge. He stated that Representative Bill Owens endorsed the request and sent a letter to Mr. White asking that he make it happen. He suggested that the city send a similar letter.

Councilman Stimatz challenged the Commissioners to each donate funds for the fireworks show. He said the 4th of July is an important holiday and fireworks are a great way to celebrate the 4th of July.

3. COMMENTS FROM BILL LEHMANN:

Chairman Stevenson called on Mr. Bill Lehmann of 3137 West Main Street. Mr. Lehmann said he would like to talk about the county's proposed budget. He said he attended the Board's budget work session today and attended the Airport Authority meeting last week, and what concerns him in the proposed budget is a cut to the Airport Authority of \$10,000. Since the city and county are to fund the Airport Authority equally, the city will also have to reduce its appropriation to the Airport Authority by \$10,000. He explained that this \$20,000 will actually equate to a loss of \$220,000 to the Airport Authority because it means they won't be able to receive a \$200,000 grant they need for improvements. Mr. Lehmann stated that it is unbelievable what the Airport Authority has done for Pasquotank County and Northeastern North Carolina over the last ten years in the name of economic development. He said at a time when the economy is in the tank and joblessness is at a record rate, he believes it would be an oversight to not fund the Airport Authority which directly equates to jobs.

Mr. Lehmann said in the budget meeting this afternoon he heard Commissioner Trueblood talk about hard cuts as opposed to soft cuts, and he could not agree with him more. He said a three-cent tax increase equates to a 5.13% increase in ad valorem taxes. He stated that the cost-of-living has increased and discretionary income has decreased, particularly for senior citizens. He said he cannot see how the county can put a burden of a 5% increase in taxes and an increase in water rates on people on a fixed income in the current economy. He stated that he would ask the Board to propose a budget that does not call for a tax increase.

4. AMENDMENTS TO THE AGENDA:

Chairman Stevenson asked if there were any amendments to the agenda. Commissioner Wood requested that the agenda be amended to add the following items recommended by the Finance Committee to the consent agenda: 1) Approval of settlement with R&D Excavating for \$12,000 for additional services performed beyond the scope of their original contract for landfill operations; and 2) Approval to lease parcel in Camden County to a local farmer for \$70 per acre. The County Manager also asked that the Board approve a reduction in the tax discount from 1% to ½%.

Motion was made by Matt Wood, seconded by Bill Trueblood to add the three items recommended to the consent agenda. The motion carried unanimously.

Commissioner Wood requested that the agenda be amended to remove the *Discussion on Water Agreements with City of Elizabeth City and Perquimans County*. He stated that a specific proposal has not been received from Perquimans County, so there is not anything to discuss. He added that the final water agreements with the city are expected to soon be approved.

Motion was made by Matt Wood, seconded by Bill Trueblood to remove *Discussion on Water Agreements with City of Elizabeth City and Perquimans County* from the agenda. The motion carried unanimously.

5. APPROVAL OF CONSENT AGENDA:

The Board considered the following consent agenda:

a. Approval of Minutes of May 17, May 20 and May 25, 2010 Commissioner Meetings

b. Approval of Tax Releases

The Finance Committee has recommended approval of the following tax releases:

Releases:

		County	City
1.	Walter Douglas Williams	145.90	
2.	Bradley S. Robertson	103.72	84.79

c. Approval of Offer from New Ramoth Gilead Missionary Baptist Church to Purchase Surplus Property

The county has received an offer in the amount of \$250 from New Ramoth Gilead Missionary Baptist Church to purchase a parcel of surplus property beside the church that is no longer needed by the county. The Board needs to propose to accept the offer of \$250 in order to begin the upset bid process.

d. Approval of Offer from Cellco d/b/a Verizon for Lease Space on the Water Tower at the Water Plant

The county has received an offer from Cellco d/b/a Verizon for leasing cell phone tower space on the water tower at the Water Plant. The offer is for \$1,800 per month for the first five years, with increases thereafter. Even though it is a lease, leases for longer than ten years are treated the same as a sale. The Board needs to propose to accept the offer in order to begin the upset bid process.

e. Approval of Settlement Offer with R&D Excavating

The Finance Committee has recommended approval of a settlement with R&D Excavating in the amount of \$12,000 for additional services performed beyond the scope of their original contract for landfill operations

f. Approval to Lease Parcel in Camden County

The Finance Committee has recommended that the Board approve the lease of a parcel in Camden County to a local farmer, Steve Dail, for \$70 per acre.

g. Approval of Reduction in Tax Discount from 1% to 1/2%

The County Manager asked the Board to approve a reduction in the tax discount from 1% to 1/2%. He stated that legislation is being introduced to enable this reduction and once the legislation is passed, it can be forwarded to the North Carolina Department of Revenue.

Motion was made by Cecil Perry, seconded by Matt Wood to approve the consent agenda as amended. The motion carried unanimously.

6. APPROVAL OF FINAL PLAT FOR STRAWBERRY ACRES, PHASE I:

The Board considered the final plat for Strawberry Acres. Planning Director Shelley Cox explained that Marart, LLC is requesting final plat approval for Strawberry Acres, Phase I which consists of six residential lots. The property is zoned R-35A and lot sizes are proposed to be 43,000 square feet. She stated that students from this development would attend Northside Elementary School, Elizabeth City Middle School and Pasquotank County High School. Providence Volunteer Fire Department provides fire protection for the area and the area is served by the Pasquotank County Water System. A performance bond for street installation has been

submitted in the amount of \$26,936, and a street maintenance bond has been submitted in the amount of \$14,316. Water line installation has been completed for Phase I and water meter fees have been paid. Ms. Cox noted that the Board toured this site three weeks ago, and she went there today and took some pictures to show that the grass has grown. She said she has received confirmation that the site is no longer in violation of the State Erosion & Sedimentation Control permits. The previous issue with the slopes of some swales has also been addressed. Ms. Cox stated that staff recommends approval of the final plat.

Motion was made by Matt Wood, seconded by Lloyd Griffin to accept the recommendations of staff to approve the final plat for Strawberry Acres, Phase I. The motion carried unanimously.

7. APPROVAL OF HOME AND COMMUNITY CARE BLOCK GRANT CONTRACTS FOR FY 2010-11:

County Manager Randy Keaton explained that the Board needs to approve the Home and Community Care Block Grant for Older Adults Funding Plan for FY 2010-11. He stated that the county is responsible for the ten percent match and the funds have been included in the county's proposed 2010-11 budget.

Motion was made by Lloyd Griffin, seconded by Matt Wood to approve the Home and Community Care Block Grant for Older Adults Funding Plan and contracts for FY 2010-11. The motion carried unanimously.

8. APPROVAL OF AMENDMENTS TO THE COMMERCE PARK RESTRICTIVE COVENANTS:

The Board reviewed proposed amendments to the Commerce Park Restrictive Covenants. Vice-Chairman Lloyd Griffin asked to be excused from considering this item due to a conflict of interest.

Motion was made by Matt Wood, seconded by Cecil Perry to excuse Commissioner Lloyd Griffin from considering the amendments to the Commerce Park Restrictive Covenants. The motion carried unanimously.

County Attorney Mike Cox explained that the amendments would remove the annual progress payments and the five year buyback provision. He said with the downturn in the economy, it has been the pleasure of the Commerce Park Committee to relieve the progress payments, although it would still be required that construction be completed within two years after the date of purchase from the county. The changes were given initial approval at the April 5, 2010 meeting. Thirty days notice of the proposed change has been sent to all property owners as required by the covenants. Assistant County Manager Rodney Bunch stated that he has not received any response as a result of the notices that were mailed.

Motion was made by Matt Wood, seconded by Jeff Dixon to approve the amendments to the Commerce Park Restrictive Covenants as presented by the County Attorney. The motion carried unanimously.

9. PRESENTATION OF COUNTY BUDGET FOR FISCAL YEAR 2010-11:

County Manager Randy Keaton presented the proposed 2010-11 county budget. He read the budget message and reviewed the revenue and expenditure graphs. The proposed budget includes a three-cent increase in the ad valorem tax rate, a \$12 increase in the solid waste availability fee, and an increase in water rates. Mr. Keaton said if the Board concurs with the proposed budget, it can be advertised for a public hearing at the June 21 meeting.

It was requested that the County Manager calculate the financial impact of reducing the solid waste fee from \$75 to \$25 or to \$50 for low-income senior citizens.

The Board discussed the \$10,000 cut from the Airport Authority's budget request. Commissioner Dixon stated that a surplus of \$26,000 is available in the Social Services budget from Smart Start funds and he suggested that some of those funds be used to restore full funding for the Airport Authority.

Commissioner Dixon stated that he does not believe enough information has been put out in the public about the budget. He noted that the State of North Carolina has mandated an additional 1.55% as the employer contribution for state retirement. The County Manager advised that this equates to between \$80,000 and \$90,000 in the general fund budget alone to help fix the state

pension fund. Commissioner Dixon stated that a lot of the budget increase is for capital improvements, such as a new roof for Northeastern High School and a new HVAC system for Central School, however county employees have not had a salary increase in three years, so the budget puts a new roof ahead of county employees. He said the public does not quite understand this. He stated that he does not want a three cent tax increase and he has heard about hard cuts and soft cuts, but he does not want to cut employees to keep from having a three cent tax increase. He added that the Consumer Price Index is at 6.5% so the cost of living will be 6.5% more. He asked with no salary increase where employees will get that 6.5%.

Commissioner Perry stated that the economy is currently not favorable for anyone. He said if the Board does not make hard cuts, it would be difficult to balance the budget without a tax increase. He stated this is the reason he supports what has been presented. He said if hard cuts are made, the county would lose a lot of personnel. He added that the Board needs to think about people as much as possible.

Commissioner Wood said that things need to be looked at in a long-term perspective, but he knows when taxes are due it is not a long-term issue. He stated that he feels like the Board is addressing structural issues in the county budget, despite the pain and the tax increase, and in the long run the county should be able to build fund balance and get on sound footing so as to possibly not have property tax increases in years to come.

Commissioner Jordan stated that this has been a very difficult budget year and he would echo Commissioner Dixon's comments. He said he is concerned about the employees and the senior citizens.

Motion was made by Matt Wood, seconded by Charles Jordan to call for a public hearing on the proposed budget at the June 21 Commissioner meeting. The motion carried by a six to one margin with Chairman Stevenson voting against the motion.

10. CANCELLATION OF JULY 5, 2010 MEETING:

The County Manager asked the Board to consider the July meeting schedule since the July 5th meeting falls on a county holiday. The Board agreed to cancel the July 5th meeting and hold only one regular meeting in July on the third Monday, July 19th.

Motion was made by Matt Wood, seconded by Jeff Dixon to cancel the July 5th Commissioner meeting and committee meetings and to resume the regular meeting schedule on July 19th. The motion carried unanimously.

11. EAST CAROLINA BEHAVIORAL HEALTH:

Mr. Keaton explained that he has received a proposed consolidation agreement from East Carolina Behavioral Health for the mental health program that is currently being reviewed by him and the County Attorney. He stated that Albemarle Mental Health owned three pieces of property that East Carolina Behavioral Health has requested be turned over to them in the agreement. He said it was originally discussed by the counties to possibly use the proceeds from the sale of these properties to fund retiree health insurance for 19 retirees of the original Albemarle Mental Health and the Tideland employees that came to Albemarle Mental Health. He stated that there was a very limited amount of money set aside to fund these health care costs. Members of the Board asked the County Manager to continue negotiating with ECBH on the consolidation agreement and to require that ECBH fund retiree health insurance for the former employees in return for receiving the three mental health properties.

12. REPORT FROM COUNTY ATTORNEY:

County Attorney Mike Cox reminded the Board of the meeting scheduled for this Wednesday at 10:00 AM to discuss legal issues related to the jail project.

13. REPORTS FROM COMMISSIONERS:

Commissioner Wood asked for an update regarding the fire rating for properties in the Weeksville Fire District. He said he understands that property insurance rates have increased due to the fire rating change and he asked now that the rating has changed back to the old classification whether those who have paid their insurance premiums will get refunds. The County Manager stated that some property owners started receiving increased premiums last December. He said they would just pay the increased premiums until their rate changes. He noted that the only people who are getting increases are those who live within 1,000 feet of a fire hydrant. He added that the monitoring equipment has been installed that the state had required in

order for Weeksville VFD to get their old rating back and the inspector inspected it this weekend. The inspector had some questions regarding whether the generators were also being monitored. The Fire Department Coordinator is getting this information for the inspector and once it is resolved it would take about four months to get the rating information out to all of the insurance companies.

Commissioner Jordan reported that he and the County Attorney met with a delegation from Providence Acres regarding the issue of Traci Drive. He stated that the residents now appear to realize what the situation is and that the county is not responsible. He stated that the main problem appears to be getting the property owners to come together to hire an attorney.

Commissioner Jordan asked the status of the property adjacent to New Ramoth Gilead Missionary Baptist Church that the church wants to buy from the county. The County Attorney explained that the church has paid the 10% deposit and an ad will be placed in the newspaper. Following a ten-day upset bid period, the offer would come back to the Board for acceptance or denial if there are no further upset bids.

Chairman Stevenson asked if anyone from the county has been invited to a town hall meeting regarding Electricities. He said there is some concern regarding taxation without representation from the residents who live outside of the city who are paying the city electric rates, and they would like for the county to take up their cause. He stated that the issue is that the city is taking electric revenues and putting them in the general fund and the people outside of the city have no vote in that. The County Manager stated that the town hall meeting would be open to anyone who wants to attend, however the county has not been invited to take part in the meeting. Commissioner Dixon said the underlying issue is that the people want a choice of utility providers, however it would require the assistance of legislators for that to happen. Vice-Chairman Griffin noted that there are areas of the county where the city provided electric service thirty or forty years ago because other utility companies did not have the ability to serve those areas and they have become part of the city's service territory. Commissioner Trueblood added that the people are concerned about the fact that their rates are impacted by any transfer of funds from the electric fund to the general fund.

Chairman Stevenson asked if there was any further business to come before the Board. There being no further business;

Motion was made by Lloyd Griffin, seconded by Cecil Perry to adjourn the meeting. The motion carried unanimously and the meeting was adjourned at 8:35 PM.

CHAIRMAN

CLERK

**PASQUOTANK COUNTY, NORTH CAROLINA
JUNE 9, 2010**

The Pasquotank County Board of Commissioners met today in a special meeting on Wednesday, June 9, 2010 in the Community Room at the W.C. Witherspoon Memorial Library.

MEMBERS PRESENT: Marshall Stevenson, Chairman
Lloyd E. Griffin III, Vice-Chairman
Bill Trueblood
Matt Wood
Cecil Perry
Charles H. Jordan

MEMBERS ABSENT: Jeff Dixon

OTHERS PRESENT: Randy Keaton, County Manager
Rodney Bunch, Assistant County Manager
R. Michael Cox, County Attorney
Sheri Small, Finance Officer
Randy Cartwright, Sheriff
Karen S. Jennings, Clerk to the Board

The meeting was called to order at 10:10 AM by Chairman Marshall Stevenson who asked for a motion that the Board enter Closed Session to consult with an attorney employed by the Board and to preserve the attorney client privilege.

Motion was made by Cecil Perry, seconded by Charles Jordan that the Board enter Closed Session to consult with an attorney employed by the Board and to preserve the attorney client privilege. The motion carried.

Upon the end of Closed Session;

Motion was made by Bill Trueblood, seconded by Cecil Perry that the Board return to Regular Session. The motion carried.

Motion was made by Lloyd Griffin, seconded Matt Wood to adjourn the meeting. The motion carried and the meeting was adjourned at 11:23 AM.

CHAIRMAN

CLERK