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Meeting of the Hoke County Board of Commissioners on Monday, February 15, 2016 at 7:00 p.m. in the Commissioners Room of the Pratt Building.

MEMBERS PRESENT:

James Leach, Chairman
Harry Southerland, Vice Chairman
Robert Wright
Allen Thomas
Tony Hunt

OTHERS PRESENT:

Letitia Edens, County Manager
Grady Hunt, County Attorney
Linda Revels, Clerk to the Board

Chairman Leach called the meeting to order with a quorum present and welcomed everyone.

Vice Chairman Southerland led the Pledge of Allegiance and Commissioner Hunt gave the invocation.

Adoption of Agenda

Chairman Leach stated that item #f needs to be pulled. Attorney Hunt stated that they need to add a designation for the Clerk to the Board for the USDA loan closing. This can be done temporarily with the board at a later date appointing a clerk permanently. Chairman Leach stated that in the past the Manager has served as Clerk. Attorney Hunt stated that the Board also needs to add a change of meeting for the March 7th meeting to the Court Annex due to one-stop voting being held here. This meeting will need to be recessed to February 29th to finalize the closing documents for USDA. After discussion, the board decided the meeting will be held on Monday, February 29th at 5:00 p.m. Regarding the agenda, item #f will be pulled and replaced with clerk designation and #g added for Notice to change meeting location.

Motion: Commissioner Thomas made a motion to approve the agenda as amended, seconded by Commissioner Wright.

Action: The motion was unanimously carried.

Consent Agenda

- a. Minutes from the February 1, 2016 meeting
- b. DOT Petitions
 1. Wedgefield Subdivision

ITEM

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2. Westgate Subdivision
 - c. Resolution Authorizing Advertisement of Property-299 Purcell Drive
 - d. NCVTS Report
 - e. Budget Amendments
 - f. Designation of County Manager as Clerk to the Board
 - g. Public Notice – Change of Meeting Place for March 7th meeting

Motion: Commissioner Hunt made a motion to approve the consent agenda, seconded by Vice Chairman Southerland.

Action: The motion was unanimously carried.

Hoke County Tax Collector's Report

Tax Levy 2016	\$26,576,304.47
Additions to Levy YTD	733,347.58
Total 2016 Levy to Date	27,309,652.05
Refunds 2016	53,469.60
Releases/abatements	12,575.61
Discounts	367,696.68
Adjustments	100.00
Write offs	30.38
Advertising Charged 2016 Tax Bills	0
Collectable Levy to Date	27,297,356.44
Collected to Date	24,407,979.13
Uncollected Balance 2016 Tax Levy (1)	2,889,377.31
Collections January 2016	\$1,101,081.44
Releases August 2016	555.20
Percent of Levy Collected (Receipts)	89.42%
Percent of Levy Collected (Releases, Etc.)	0.05%
Prior Years Tax Levy January 1, 2016	2,550,718.85
Prior Years Collected in August 2016 To Date	615,095.50
Uncollected Balance Before Releases	1,935,623.35
Refunds	1,162.53
Releases/Abatements	1,821.38
Discounts	1.33
Adjustments	830.00

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Write Offs/Insolvent	37,504.13
Uncollected Balance Prior Year (2)	1,796,172.08
Prior Years Collected in January 2016	\$98,012.17
Releases Prior Years January 2016	0
Percent Prior Years Collected (Receipts)	24.11%
Percent Prior Years Collected (Releases, Etc.)	0.30%
Total Uncollected Taxes (1+2)	4,685,549.39

2014 Taxes

Tax Levy January 2015	25,804,091.74
Collections January 2015	1,150,968.65
Releases January 2015	84.00
Percent Collected (Receipts)	89.07%
Percent Collected (Releases, Etc)	0.17%
Prior Years Tax Levy January 2015	2,305,138.46
Collections January 2015	65,000.00
Releases January 2015	149.74
Insolvent	35,347.34
Percent Collected (Receipts)	21.84%
Percent Collected (Releases, Etc.)	

a. Release – Limited Liability Company – Ms. Dudley stated that this was foreclosed property that was purchased by Limited Liability with 2015 taxes due in the amount of \$193.78. When the deed was presented to their office, a sticker was placed on the deed for recording and a letter was sent to Limited Liability regarding the taxes. Limited Liability feels that they should not have to pay the taxes. She stated that she contacted the School of Government regarding liability and there is none. Attorney Hunt recommended releasing these taxes.

Motion: Commissioner Wright made a motion to approve the release to Limited Liability, seconded by Vice Chairman Southerland.

Action: The motion was unanimously carried.

b. Release – Judith Spencer – She was in bankruptcy and paying taxes. A clerical error occurred from the tax office in sending a letter discharging the debts. They feel this error was caused by the tax office and they are asking for a release in the amount of \$1,736.09. Attorney Hunt recommended releasing the taxes.

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Motion: Commissioner Wright made a motion to approve the release for Judith Spencer, seconded by Vice Chairman Southerland.

Action: The motion was unanimously carried.

Tax Assessor's Report

Release:

Scott, Lacy III – 2015 – Mobile home moved in 2014 - \$98.05

Motion: Commissioner Wright made a motion to approve the release in the amount of \$98.05, seconded by Vice Chairman Southerland.

Action: The motion was unanimously carried.

Called Into Action – Grant Award

Possia Sanders, Bryan Pagie and Corey Delamar were present. Mr. Sanders stated that this is for teen court which reached ages 12-17 years of age. This program helps youth that are first time offenders. They go through the court process and there are no charges on their record. Chairman Leach stated that this was left out of the JCPC grant. There is a \$10,000.00 local match. The County Manager has saved approximately \$40,000.00 through salaries. He is asking the board to approve this request which is a one-time expense that will be spent this year. This is a good program. Commissioner Wright asked if a budget amendment would be done? Ms. Edens stated yes, that it would be brought back at the next meeting.

Motion: Vice Chairman Southerland made a motion to approve the \$10,000.00 matching funds, seconded by Commissioner Wright.

Action: The motion was unanimously carried.

Hoke County Re-entry Council – Update and Request for Funds

Bernice McPhatter, Jim Davis, Chairman, and Mr. Mike were present. Ms. McPhatter thanked the board for giving them the opportunity to speak. She stated that they are asking for funds for next year's budget. The re-entry program spans 3 counties of Hoke, Robeson and Scotland. They anticipate funding will run out Jun 2016. The amount needed will be

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\$154,000.00 which would be approximately \$52,000.00 per county. These funds would cover such items as employees, travel for staff and supportive services. They are also looking at other options such as becoming a 501(c)(3). They want to become self-sufficient. They are also looking to partner with other churches and also looking at grant opportunities. Mt. Sinia will be the site for Hoke County. Mr. Davis stated that allowing individuals a second chance helps the county and those coming out of incarceration. The regional re-entry is located in Robeson County. When funding runs out, they will need assistance from the city and county. They need to formulate a sustainability plan to meet the needs of their clients. Transportation and housing are two areas of great need for this program. Commissioner Wright asked when was the money needed? Mr. Davis stated July 1st. He stated that the other 2 counties were asking their county for funding as well. Robeson County has already put in \$10,000.00 for funding in this year's budget. Commissioner Thomas stated that he would like to see the budget request at the budget workshop to be more proportionate. Vice Chairman Southerland stated that he would like to see dollars spent, and workers in, Hoke County. Commissioner Hunt stated that he would like to see them pursue the 501(c)(3) status for the money to stay in Hoke County.

Financial Update – Garvin Ferguson

The top three general fund revenues sources are: ad valorem taxes, restricted intergovernmental revenue and local option sales tax. The top three general fund expenditures are: human services, public safety and education. The total fund balance represents five classifications: non-spendable, restricted, committed, assigned and unassigned. For the fiscal year 2015 the total was \$11.6 million which compares to \$6.9 million the previous fiscal year which is a \$4.7 million increase. As of June 30, 2015 the unassigned fund balance for the general fund was \$7.0 million which is an increase of \$3.9 million from the previous year. Major factors to the increase were ad valorem revenue increasing as well as tax revenue increases. The unassigned fund balance for fiscal year 2015 was 17.7% which compares to 7.5% for the previous fiscal year. There are also positive funds in water and sewer and solid waste. Commissioner Hunt stated that he would like for Barry to present a financial update for this fiscal year at the recessed meeting. Mr. Ferguson stated that this is a positive trend for the county which included re-val and a tax increase. Commissioner Wright stated that the board did what needed to be done. Commissioner Hunt stated that this board took action to recover our fund balance and made sound decisions. Fund balance is important for borrowing money for our county. Taxes were raised and a new sewer

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plant will bring in commercial growth. The budget has turned around. The county is progressive. He wants to commend the board for their work. Vice Chairman Southerland stated that the board had to make some bold decisions and some tough decisions. Commissioner Wright stated that this board has the citizen's interest at heart and want to help the county. Chairman Leach stated that a priority of this board is children and seniors.

NCACC Video Update

Steering committees met and educational seminars were held during the month of January. A budget and tax survey was also sent out for input. Risk management will hold regional meetings the month of February and March. Various district meetings will be held the month of April.

Manager's Report

Ms. Edens stated that after over 33 years with the county, Linda Revels, Clerk to the Board was retiring. The board thanked her for her years of service. They are working on the belt press at the sewer plant which continues to work well and improve and increase capacity. Commissioner Hunt stated that the flow is above predictions for the sewer plant and it's working great. Parks and Recreation has partnered with the school for free Zumba classes for employees and citizens.

Motion: Commissioner Thomas made a motion to go into closed session for the purpose of discussing personnel, NCGS 153A-98 & 143-318.11(a)(1)&(6), seconded by Commissioner Hunt.

Action: The motion was unanimously carried.

Motion: Commissioner Thomas made a motion to come out of closed session and go back into regular session, seconded by Commissioner Hunt.

Action: The motion was unanimously carried.

There was no action taken in closed session.

There being no further business to come before the Hoke County Board of Commissioners, Commissioner Hunt made a motion to recess the meeting

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until Monday, February 29, 2016 at 5:00 p.m. in the commissioners' room, seconded by Commissioner Wright. The meeting recessed at 8:30 p.m.

Recessed meeting of the Hoke County Board of Commissioners from Monday, February 15, 2016 to Monday, February 29, 2016 at 5:00pm in the Commissioners Room of the Pratt Building.

MEMBERS PRESENT

James Leach, Chairman
Harry Southerland, Vice Chairman
Robert Wright
Allen Thomas
Tony Hunt

OTHERS PRESENT

Letitia Edens, County Manager
Grady Hunt, County Attorney

Chairman Leach called the meeting to order with a quorum present and welcomed everyone.

Chairman Leach gave the invocation.

Adoption of Agenda

Motion: Commissioner Hunt made a motion to approve the agenda, seconded by Commissioner Wright.

Action: The motion was unanimously carried.

Phase 1B Sewer Loan Closing – Charleston Group

Jonathan Charleston with the Charleston Group presented a proposed resolution providing for the issuance of \$12,001,000.00 in revenue bonds for the County of Hoke. Last year, the County issued the bond. Those bond participation notes will mature the first week of March 2016. PNC National Bank purchased those notes. The notes provided interim financing to complete the Water and Sewer facility. The United States Dept. of Agriculture Rural Development Services will provide permanent financing upon Sewer Completion. The USDA will loan the \$12,001,000 for a period of 40 years. The bonds will secure the three separate loans. It will be three separate bonds: Series A in the amount of, Series B, and Series C. The interest rate on the bonds is 2.5% interest, beginning to accrue on June 1, 2016. It will be payable annually on the first day of June

each year until paid in full. Chairman Leach pointed out that the interest rate has dropped 1%. Mr. Charleston confirmed that the interest rate has dropped. The agreement with USDA provides that if the County is able to borrow money from someone else during this 40-year period of time that USDA can come back and say that the County needs to borrow the money from traditional sources. There will be an annual review of the loan. If there is any accrued interest on the bond participation note it is not covered by the USDA, it must be paid by the county. Mr. Charleston is asking for two things: first, for the County to adopt the resolution; second, to authorize the Chairman and the Clerk to the Board to execute the remaining loan documents that are required by the USDA. Commissioner Hunt asked why this was broken into three separate bonds? Mr. Charleston stated that it was originally three separate grants. That was the county's original commitment with the USDA. Back in 2013 the Board authorized the chairman to sign paperwork to enter into the loans. They are not effective until the construction is complete. Tony Hunt asked if there was only one payment in this year? Mr. Charleston stated that yes, there is one payment due in June. The payments will be interest only for the first two years.

Motion: Commissioner Wright made a motion to accept proposed resolution and authorize the Chairman of the Board of Commissioners and Clerk to the Board to execute the remaining loan documents, seconded by Vice-Chairman Southerland.

Action: The motion was unanimously carried.

Budget Amendment

Garvin Ferguson brought forward a budget amendment associated with Called Into Action, and the approved motion from the February 15, 2016 meeting to match \$10,000.00 in funds. This is not a normal budget amendment. Usually the Called Into Action funds are associated with Juvenile Justice funds. This is a one-time event. These funds are from lapsed salaries in the Human Resources salary line item. These will be moved into special appropriations for Called Into Action.

Motion: Commissioner Thomas made a motion to approve the budget amendment, seconded by Commissioner Wright.

Action: The motion was unanimously carried.

Motion: Commissioner Thomas made a motion to go into closed session for the purpose of discussing personnel, NCGS 153A-98 & 143-318.11(a)(1)&(6), seconded by Commissioner Hunt.

Action: The motion was unanimously carried.

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Motion: Commissioner Thomas made a motion to come out of closed session and go back into regular session, seconded by Commissioner Hunt.

Action: The motion was unanimously carried.

Motion: Commissioner Hunt made a motion to hire Anthony Stuart Connor as Chief Building Inspector with a salary of \$62,284 at Grade 76 Step 5, seconded by Vice-Chairman Southerland.

Action: The motion was unanimously carried.

A general discussion followed regarding the general fund, and future discussions regarding the same. Mr. Ferguson stated that as of Friday, February 26, 2016 there is \$65,258.65 available in capital outlay for the departments listed on the report. Letitia Edens stated that department heads need to start working on their budgets. Vice-Chairman Southerland asked if we need to do anything regarding any issues with audits. Ms. Edens stated that there is just department cleanup and cost allocation that Barry Mayo is working on. There should be a clean version by next week. Mr. Ferguson stated that by the second meeting in April he could update the Board where the departments are at in spending. Commissioner Wright asked if the school has used their capital outlay? Mr. Ferguson stated yes.

There being no further business to come before the Hoke County Board of Commissioners, Commissioner Thomas made a motion to adjourn, seconded by Commissioner Wright. The meeting adjourned at 5:36 p.m.

James A. Leach, Chairman

Letitia Edens, Clerk to the Board