

Meeting of the Hoke County Board of Commissioners on Monday, March 21, 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  
 Tony Hunt  
 Allen Thomas

OTHERS PRESENT:

Letitia Edens, County Manager  
 Grady Hunt, County Attorney  
 Gwen McGougan, Clerk to the Board

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

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

ITEM 1. ADOPTION OF AGENDA

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

**Action: The motion was carried, 5-0.**

ITEM 2. CONSENT AGENDA

- a. Minutes from the March 7, 2016 meeting
- b. Parks & Recreation – Zumba contract
- c. Board of Education – request for in-county travel allowance
- d. NCVTS Report
- e. Closed session minutes from February 15, 2016
- f. Closed session minutes from February 29, 2016

**Motion: Commissioner Hunt made a motion to approve the consent agenda, seconded by Commissioner Thomas.**

**Action: The motion was unanimously carried.**

ITEM 3. TAX COLLECTOR'S REPORT – APRIL KING FOR DAPHNE DUDLEY

**HOKE COUNTY TAX COLLECTOR'S REPORT**  
**3/21/2016**

Tax Levy 2016	\$26,576,304.47
Additons to Levy YTD	\$733,347.58
Total 2016 Levy to Date	\$27,309,652.05
Refunds 2016	\$54,605.72
Releases/Abatements	\$12,862.25
Discounts	\$367,753.25
Adjustments	\$3,085.00
Write Offs	\$28.68
Advertising Charged 2016 Tax Bills	\$0.00
Collectable Levy to Date	\$27,300,154.80
<b>Collected To Date</b>	<b>\$24,839,788.20</b>
Uncollected Balance 2016 Tax Levy (1)	<b><u>\$2,460,366.60</u></b>

Collections February2016	<b>\$431,809.07</b>
Releases February2016	<b>\$286.64</b>
Percent of Levy Collected (Receipts)	<b>90.99%</b>
Percent of Levy Collected (Releases, Etc.)	<b>0.05%</b>

Prior Years Tax Levy February1, 2016	\$2,550,718.85
Prior Years Collected in February2016 To Date	<b>\$844,138.58</b>
Uncollected Balance Before Releases	\$1,706,580.27
Refunds	\$1,162.53
Releases/Abatements	\$3,020.34
Discounts	\$1.33
Adjustments	\$1,302.00
Write Offs/Insolvent	\$37,504.13
Uncollected Balance Prior Years (2)	<b><u>\$1,701,463.33</u></b>

Prior Years Collected in February2016	<b>\$94,497.79</b>
Releases Prior Years February2016	<b>\$1,198.96</b>
Percent Prior Years Collected (Receipts)	<b>33.09%</b>
Percent Prior Years Collected (Releases.Etc.)	<b>0.36%</b>
Total Uncollected Taxes (1+2)	<b><u>\$4,161,829.93</u></b>

**2014 Taxes**

Tax Levy February2015	\$25,804,091.74
Collections February2015	<b>\$745,394.33</b>
Releases February2015	\$0.00
Percent Collected (Receipts)	<b>91.97%</b>
Percent Collected (Releases,Etc.)	<b>0.18%</b>
Prior Years Tax Levy February2015	\$2,305,138.46
CollectionsFebruary2015	<b>\$137,114.47</b>
Releases February2015	\$0.00
Insolvent	\$35,347.34
Percent Collected (Receipts)	<b>27.79%</b>
Percent Collected (Releases,Etc.)	<b>0.99%</b>

**ITEM 4. TAX ASSESSOR’S REPORT – ASHLEY DIAL FOR JENNIE GIBSON**

<b>OWNER</b>	<b>YEAR</b>	<b>REASON</b>	<b>AMOUNT</b>
Coffey, Kent	2015	Military Exempt	\$ 189.43
Davis Jr., Sherman	2007	Sold MH in 2006	\$ 77.70
Howland, John & Jan	2015	Late listed in error	\$ 12.38
Keen, Lou & Rheunette	2011	MH paid by owner	\$ 520.91
Keen, Lou & Rheunette	2012	MH paid by owner	\$ 520.91
Keen, Lou & Rheunette	2013	MH paid by owner	\$ 520.91
Keen, Lou & Rheunette	2014	MH paid by owner	\$ 450.12
Keen, Lou & Rheunette	2015	MH paid by owner	\$ 461.24
Long, Virginia	2015	SW fee-MH removed in 2014	\$ 128.00
McMillan, Reginald	2014	MH sold in 2013	\$ 25.67
McMillan, Reginald	2015	MH sold in 2013	\$ 27.72
Scott, William	2015	Boat sold prior to 1/1/2015	\$ 10.10
Woods, Margaret	2014	Elderly exemption error	\$ 205.00
Woods, Margaret	2015	Elderly exemption error	\$ 210.00
			\$3,360.09

**Motion: Commissioner Wright made a motion to approve the releases in the amount of \$3,360.09, seconded by Vice-Chairman Southerland.**

**Action: The motion was unanimously carried.**

**ITEM 5. DSS CONTRACT AMENDMENTS AND BUDGET ADJUSTMENTS**

DSS Director Mrs. Della Sweat presented a proposed amendment to the contract with the Charleston Group. The amendment will allow the remaining balance of the contract for fiscal year 2015-16 to be paid in equal monthly installments of \$16,979.37. The County will receive a monthly invoice detailing the charges for that month. Vice Chairman Southerland asked if the County has to pay if an invoice isn’t sent and Mrs. Sweat replied that an invoice is required for payment.

A budget adjustment in the amount of \$13,124 was presented for approval by the Board. This adjustment will cover additional legal costs incurred for appeals work on a child welfare case.

The funds will be transferred from unused funds in the DSS line items for Motor Vehicles, Education & Medical and Data Processing Equipment. Chairman Leach and Commissioner Thomas discussed meeting with the DSS Board Chairman, Mr. Carl Pevia, about creating a second line item to pay for unforeseen legal expenses which are above and beyond the

contract. Commissioner Thomas commended the DSS Director for finding the \$13,124 needed within her department's own budget. Vice Chairman Southerland asked Mrs. Sweat if there is a plan in place for the remainder of the current fiscal year. Mrs. Sweat replied that there are no pending appeals or actions beyond the scope of the existing contract for this year. Commissioner Hunt asked Mrs. Sweat if the second line item will be in place for next year and she replied that it will. Mr. Wright once again commended Mrs. Sweat on determining the legal funding needed for her department and finding the funds within her department without needing to ask for additional funds.

**Motion: Commissioner Wright made a motion to approve the contract amendment and budget adjustment for legal services for DSS, seconded by Chairman Leach.**

**Action: The motion was unanimously carried.**

DSS Director Della Sweat then presented another Budget Adjustment which will cover additional Low Income Energy Assistance funds the county is receiving in the amount of \$7,308 as well as cover Work First Transportation funds which were cut by roughly \$6,000 by the Federal government in the current fiscal year.

**Motion: Commissioner Wright made a motion to approve the budget adjustment for changes in funding for DSS, seconded by Vice Chairman Southerland.**

**Action: The motion was unanimously carried.**

## ITEM 6. UTILITIES CONTRACTS

The Utilities Department submitted an Agreement for Professional Engineering Services from LKC Engineering. This Agreement will authorize LKC Engineering to develop a long-term water supply study to evaluate current system demands and provide options for future water system needs. The cost for the study will be \$53,000. The Utilities Committee recommends approval of the Agreement. Tom McNeill was present on behalf of the Utilities Committee to provide information and answer questions. Mr. McNeill began by stating that Phase V of the water system has been completed. That project didn't get the system ahead of demands; rather, it got the system where it needs to be to meet current demands. This study will assist the County in being proactive, rather than reactive, to the water system needs. The County is a large water supplier and must meet demands similar to city systems. These demands include commercial and industrial development and fire flow requirements. This will be a 5-10 year projection of demand and a Capital Improvement Plan and rate estimates to assist the County in budgeting.

Commissioner Hunt stated that the County has been purchasing water from PWC and has recently met with the City to explore a partnership providing it is a financially sound option for the County. The study needs to be done to assist the County in determining what direction they should go to meet future demand whether it is continued water purchase or adding wells.

Vice Chairman Southerland inquired if the cost of the study can exceed \$53,000 and Mr. McNeill confirmed that the \$53,000 cost is firm unless the County changes the scope of the study.

**Motion: Commissioner Wright made a motion to approve the Agreement for Engineering Services for LKC Engineering to develop a water supply study, seconded by Commissioner Hunt.**

**Action: The motion was unanimously carried.**

The Utilities Department submitted contracts from Charles Underwood for maintenance and repair of the water booster pump stations and sanitary sewer lift stations and from McArthur construction for assistance when needed for line work. The Utilities Committee has recommended approval of these contracts. Previously these issues were handled through a contract that the County had with PWC. PWC has now given the County three months' notice of their intent to terminate their agreement.

Tom McNeill stated that the maintenance and repair contracts are necessary because the County has limited staff and equipment to deal with emergencies. Both Underwood and McArthur have similar contracts in neighboring communities. Commissioner Hunt reminded the Board that McArthur Construction actually installed the wastewater lines during construction of the system. Tom McNeill added that Underwood constructed the lift stations.

**Motion: Vice Chairman Southerland made a motion to approve the maintenance and repair contracts for Charles Underwood and McArthur Construction, seconded by Commissioner Hunt.**

**Action: The motion was unanimously carried.**

Commissioner Wright asked Mr. McNeill if there will be any sewer lines added in the near future. Mr. McNeill stated that the decision to add lines would be market-driven by developers and property owners.

Commissioner Hunt thanked Tom McNeill for helping the County with their infrastructure needs.

## ITEM 7. JAIL CONTRACT AND BUDGET AMENDMENT

Sheriff Hubert Peterkin and Major Nachia Revels presented a contract for inmate commissary services from McDaniel Supply Company. Commissary services thus far had been provided by Swanson (now Trinity) Services. McDaniel Supply has better technology, including an ability to refund an inmate's unused commissary funds upon their release by debit cards, rather than issuing a check. McDaniel will also sort and distribute canteen purchases to the inmates rather than the jail staff having to distribute them. McDaniel Supply will assist jail staff in the monthly reconciliation of their books.

**Motion: Commissioner Hunt made a motion to approve the commissary services contract for McDaniel Supply, seconded by Vice Chairman Southerland.**

**Action: The motion was unanimously carried.**

Sheriff Hubert Peterkin presented a Budget Amendment to use funds from the Inmate Welfare account to purchase a replacement probe system for the jail. This will replace the former probe system which stopped working the previous Wednesday.

**Motion: Commissioner Wright made a motion to approve the budget amendment for the replacement probe system, seconded by Vice Chairman Southerland.**

**Action: The motion was unanimously carried.**

## ITEM 8. AUDIT REPORT

Meg Blue with Martin-Starnes & Associates presented highlights of the FY 2015 audit of the County's finances. The auditors issued an Unmodified Opinion, which is the best type of opinion and means the County "passed" the Audit. Mrs. Blue thanked the Finance Staff and others within the County that provided information and assisted the auditors in preparing their report.

In the General Fund, revenues increased 18.4% or \$6,769,497 and expenditures increased 1.7% or \$645,991. The Fund Balance increased this year by \$4,766,345 to \$11,682,098. The County's Available Fund Balance is \$8,489,302, an increase in \$3,828,165 from the Available Fund Balance in 2014 of \$4,661,137. The difference in Fund Balance and Available Fund Balance is \$3,192,796. \$53,303 of that is prepaid items and inventory and the remainder, \$3,139,493, is Stabilization by State Statute, which restricts Fund Balance based upon the County's Accounts Receivable and other items in the County's Balance Sheet. Mrs. Blue said she would send the calculations to the Board. Hoke County's Unassigned Fund Balance for FY 2015 is 18.21% of General Fund Expenditures and Net Transfers. This is up from 7.60% in 2014. The Local Government Commission requires a

minimum of 8%. The three largest revenue sources for General Fund are Ad Valorem taxes, Intergovernmental (such as grants) and Local Option Sales Tax. The three largest expenditures for General Fund are Human Services, Public Safety and Education.

In the Water & Sewer Enterprise Fund, Operating Income decreased from \$2,123,912 in 2014 to \$1,108,780 in 2015. This was due in large part to the increase in Debt Service for the year.

In the Solid Waste Fund, Operating Income of \$284,956 is consistent with prior years. The Solid Waste Fund has no debt.

Chairman Leach noted that the Fund Balance percentage is shown at 21.3% based upon the LGC's formula.

## ITEM 9. NCACC VIDEO

## ITEM 10. MANAGER'S REPORT

Mrs. Letitia Edens began by welcoming Gwen McGougan as Clerk to the Board. Mrs. Edens said she will be meeting with Directors on Wednesday, March 23, 2016 to review audit findings and set some dates as deadlines for FY 2017 budget preparation. Department Heads must submit their budgets to Finance no later than April 25, 2016. Finance will have budgets entered and ready for review by the Manager by May 10, 2016. The Manager will meet with departments and have the Manager's budget ready on May 20, 2016. Mrs. Edens asked the Board to begin considering dates for budget hearings so that the Clerk can prepare a schedule of departments and Special Appropriations recipients to appear at the hearings to present their requests. Commissioner Hunt suggested that departments present their requests to the Manager and, if the Manager and Director reach an agreement on the budget request, there will be no need for the Director to appear before the Board. If the Manager and Director are unable to reach an agreement, the Director can appear before the Board after the Manager's budget is presented. This will give the Board the end of May and beginning of June to conduct any hearings before the FY 2017 budget is adopted, which must be no later than June 30, 2016.

Mrs. Edens said that the Board needs to proceed with hiring a Finance Director and Utilities Director. Commissioner Hunt suggested that the following week, March 28 – April 1, 2016 would be convenient for him because his employer will be on Spring Break. Commissioner Thomas said that March 28 & 29 would be most convenient for him. The Board agreed that interviews for the Finance Director would begin at 1:00 pm on Monday, March 28 and interviews for the Utilities Director would begin at 1:00 pm on Tuesday, March 29. Ms. Edens has prepared a matrix for the applicants for each position that she will make available to the Board along with a set of interview questions for each position. Commissioner Wright suggested that the board convene prior to 1:00 pm to review the questions. Chairman Leach

stated that the current March 21, 2016 meeting will recess until 12:00 pm Monday, March 28.

Mrs. Edens shared with the Board that she received the medical renewal costs and that the County's portion of the medical premium will not increase for the new fiscal year. Also the Requests for Proposals for the liability insurance have been sent out and are due back in April, 2016.

Vice Chairman Southerland addressed the Chairman and Manager regarding the status of the Best Street and Trudeau Road repairs. He has had requests for an update from some of the residents and explained to them that there was an issue with the funding for the repairs. The proposals the County had received exceeded the funds available for the work. Chairman Leach said this should be addressed during the upcoming budget process. Commissioner Hunt said the proposals give a ballpark figure of the funds needed and that can be used to budget for the work in the FY 2017 Enterprise Fund budget. Chairman Leach directed the Manager to send a letter to the residents letting them know that the work on Best Street and Trudeau is a priority in the upcoming budget.

#### ITEM 11. CLOSED SESSION

No Closed Session was held this evening.

#### ITEM 12. RECESS

Chairman Leach made a motion to recess the meeting until 12:00 pm Monday, March 28, 2016, seconded by Vice-Chairman Southerland. The meeting was recessed at 7:55 p.m.

---

Recessed meeting of the Hoke County Board of Commissioners from Monday, March 21, 2016 to Monday, March 28, 2016 at 1:00 pm in the Commissioners Room of the Pratt Building.

#### MEMBERS PRESENT:

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

#### OTHERS PRESENT:

Letitia Edens, County Manager  
Grady Hunt, County Attorney  
Gwen McGougan, Clerk to the Board

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

Commissioner Wright gave the invocation.

**Motion: Commissioner Hunt made a motion to go into closed session for the purpose of discussing personnel, North Carolina General Statutes §153A-98 & §143-318.11(a)(1)&(6), seconded by Vice Chairman Southerland.**

**Action: The motion was unanimously carried.**

No action was taken during the closed session.

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

**Action: The motion was unanimously carried.**

Commissioner Wright made a motion to recess the meeting until 12:00 pm Tuesday, March 29, 2016, seconded by Commissioner Thomas. The meeting was recessed at 3:15 p.m.

---

Recessed meeting of the Hoke County Board of Commissioners from Monday, March 28, 2016 to Tuesday, March 29, 2016 at 1:00 pm in the Commissioners Room of the Pratt Building.

MEMBERS PRESENT:

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

OTHERS PRESENT:

Letitia Edens, County Manager  
Grady Hunt, County Attorney  
Gwen McGougan, Clerk to the Board

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

Vice Chairman Southerland gave the invocation.

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

**Action: The motion was unanimously carried.**

No action was taken during the closed session.

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

**Action: The motion was unanimously carried.**

### ITEM 13. ADJOURN

Chairman Leach thanked everyone for coming.

There being no further business to come before the Hoke County Board of Commissioners, Commissioner Hunt made a motion to adjourn, seconded by Commissioner Wright. The meeting adjourned at 3:05 p.m.

---

James A. Leach, Chairman

---

Gwendolyn McGougan, Clerk to the Board