

MINUTES – FEBRUARY 6, 2012

The Caswell County Board of Commissioners met in regular session at the Historic Courthouse in Yanceyville, North Carolina at 6:30 p.m. on Monday, February 6, 2012. Members present: Nathaniel Hall, Chairman, Cathy W. Lucas, Vice-Chair, William E. Carter, Jeremiah Jefferies, Gordon G. Satterfield and N. Kent Williamson. Absent: Kenneth D. Travis. Also present: Kevin B. Howard, County Manager, Brian Ferrell, County Attorney, and Angela Evans representing The Caswell Messenger. Paula P. Seamster, Clerk to the Board, recorded the minutes.

MOMENT OF SILENT PRAYER

Chairman Hall opened the meeting with a Moment of Silent Prayer.

APPROVAL OF AGENDA

Commissioner Jefferies moved, seconded by Commissioner Carter to approve the Agenda. The motion carried unanimously.

APPROVAL OF CONSENT AGENDA

Commissioner Jefferies moved, seconded by Commissioner Carter to approve the Consent Agenda. The motion carried unanimously.

The following items were included on the Consent Agenda:

- A) Approval of Minutes of January 17, 2012 Regular Meeting
- B) Approval of Minutes of January 19, 2012 Special Meeting
- C) Approval of Minutes of January 25, 2012 Special Meeting (1)
- D) Approval of Minutes of January 25, 2012 Special Meeting (2)
- E) Budget Amendment #6

PUBLIC COMMENTS

Chairman Hall opened the floor for public comments. With no public comments Chairman Hall declared Public Comments to be closed.

AUDIT REPORT FOR FISCAL YEAR ENDED JUNE 30, 2011

Ms. Jennifer Reese with Winston, Williams, Creech, Evans & Co., L.L.P. came before the Board to present the Fiscal year 2010-2011 audit.

Ms. Reese stated that she was here to present the county's audit from June 30, 2011. Caswell County received an unqualified opinion on their June 30, 2011 financial statements. Also

Caswell County received the Certificate of Excellence for June 30, 2011 and has submitted the June 30, 2011 report to the GFOA.

There are changes in the audit from last year. There were some GASB 54 Changes.

Chairman Hall asked “Could you tell us what GASB means?” Ms. Reese responded “Governmental Accounting Standards Board. They are the people that set the rules for the county government.”

The GASB 54 changes were: 1) Classifications of Fund Balances and Net Assets on Exhibit 1, 3, and C-1. 2) Consolidation of School Capital Reserve Fund and Revaluation Fund into General Fund in Exhibit 3 and 4.

GABB #34 Highlights

- Statement of Net Assets – Governmental Activities

	<u>2010</u>	<u>2011</u>
Total Assets	\$23,423,739	\$24,013,636
Total Liabilities	<u>5,514,536</u>	<u>4,781,185</u>
Net Assets	\$17,909,203	\$19,232,451

- Statement of Net Assets – Primary Government

	<u>2010</u>	<u>2011</u>
Total Assets	\$25,244,757	\$25,910,307
Total Liabilities	<u>5,597,508</u>	<u>4,905,183</u>
Net Assets	\$19,647,249	\$21,005,124

- Statement of Activities – Governmental Activities

	<u>2010</u>	<u>2011</u>
Revenues	\$23,219,332	\$22,651,089
Expenditures	<u>21,969,840</u>	<u>21,327,841</u>
Change in Net Assets	1,249,492	1,323,248
Beginning Net Assets	<u>16,659,711</u>	<u>17,909,203</u>
Ending Net Assets	\$17,909,203	\$19,232,451

- Statement of Activities – Business – Type Activities

	<u>2010</u>	<u>2011</u>
Revenues	\$ 1,252,458	\$ 1,291,972
Expenditures	<u>1,183,991</u>	<u>1,257,345</u>
Change in Net Assets	\$ 68,467	\$ 34,627
Beginning Net Assets	<u>1,669,579</u>	<u>1,738,046</u>
Ending Net Assets	\$ 1,738,046	\$ 1,772,673

- Statement of Activities – Total Primary Government

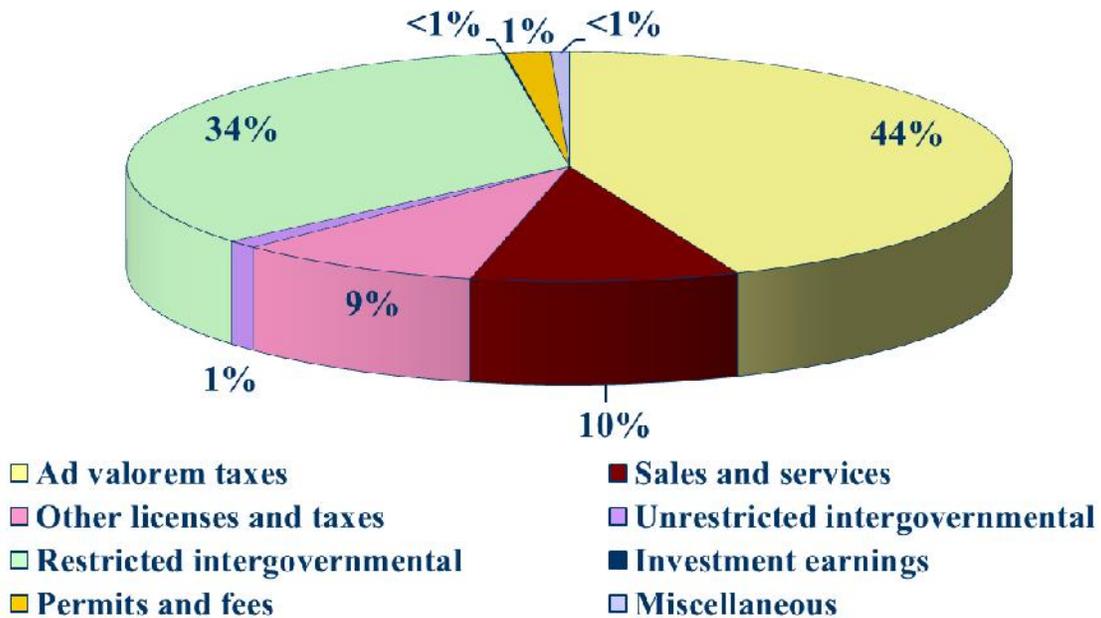
	<u>2010</u>	<u>2011</u>
Revenues	\$24,471,790	\$23,943,061
Expenditures	<u>23,153,831</u>	<u>22,585,186</u>
Change in Net Assets	\$ 1,317,959	\$ 1,357,875
Beginning Net Assets	<u>18,329,290</u>	<u>19,647,249</u>
Ending Net Assets	\$19,647,249	\$21,005,124

- Governmental Fund Revenues
- Governmental Fund Expenditures
- Proprietary Funds
- Fund Balance – All Governmental Funds
- Fund Balance – Other Governmental Funds

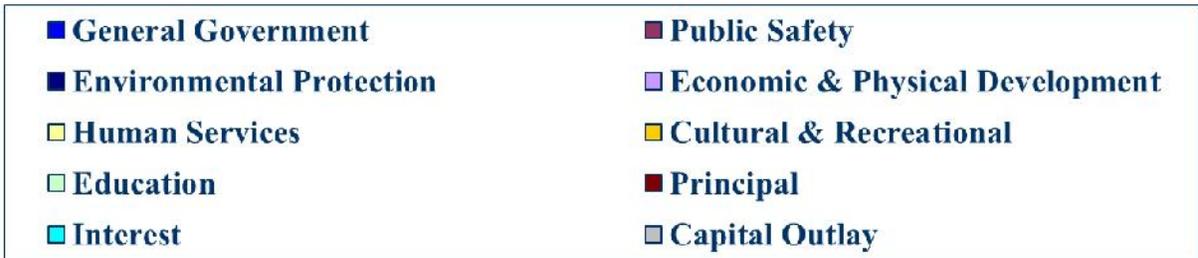
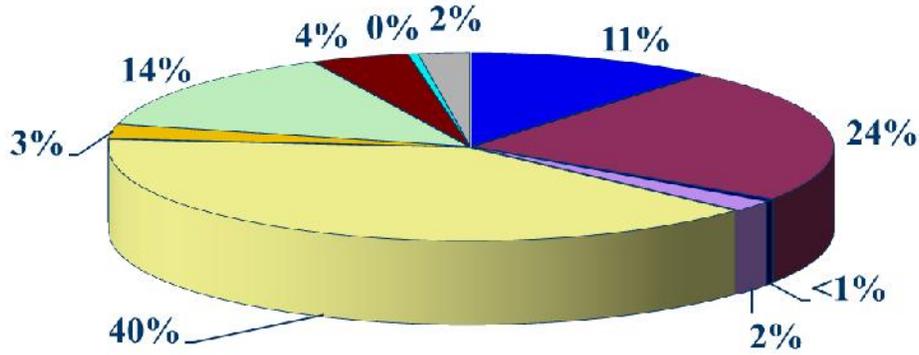
- Fund Balance – General Funds
- Fund Balance Available for Appropriation – as a % of Expenditures
- Cash
- General Fund Revenues (includes transfers)
- General Fund Expenditures (includes transfers)
- Appropriated Fund Balance
- Adjusted Tax Levy
- Tax Collection Percentages
- Governmental Fund Debt

Commissioner Satterfield asked “The business type activities. I noticed that the assets grew just a little bit but liabilities went up. What is the growth in those liabilities?” Ms. Reese responded “I would have to look at the specifics and let you know for sure. We can look at that in detail and I can get back with you and talk to you at another time about that. I just need more details than what I have with me.” Chairman Hall asked “Gwen would you like to answer that question?” Ms. Gwen Vaughn responded “That may be the transfer in the general fund for the sheriff’s vehicles, trucks and an ambulance.” Commissioner Satterfield stated “We are only looking at \$40,000 there and the transfer was considerably more than that. The transfer for those two things was, one of them was for one hundred and thirty or forty thousand and the other one was more so that is something that is still out there that is owed to the business fund. So that is still an asset.” Ms. Reese responded “It could also be where your employees accrue vacation. At the end of the year, if on that day everybody put in for vacation that would also be included in that liability.”

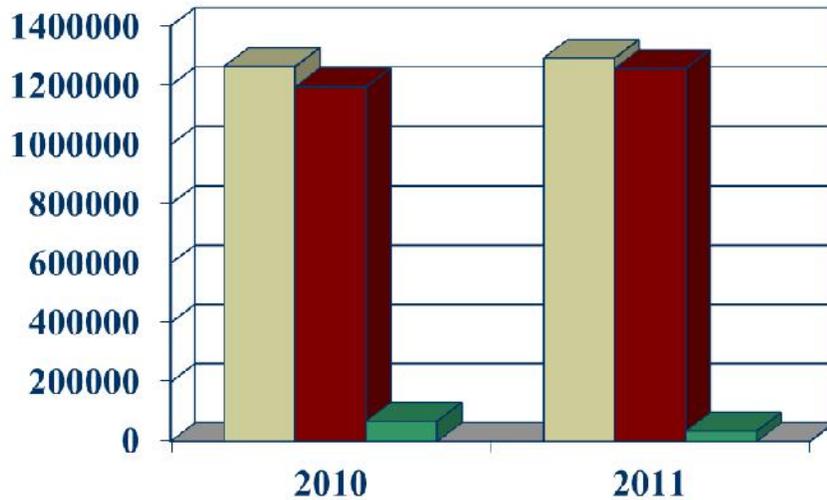
Governmental Fund Revenues



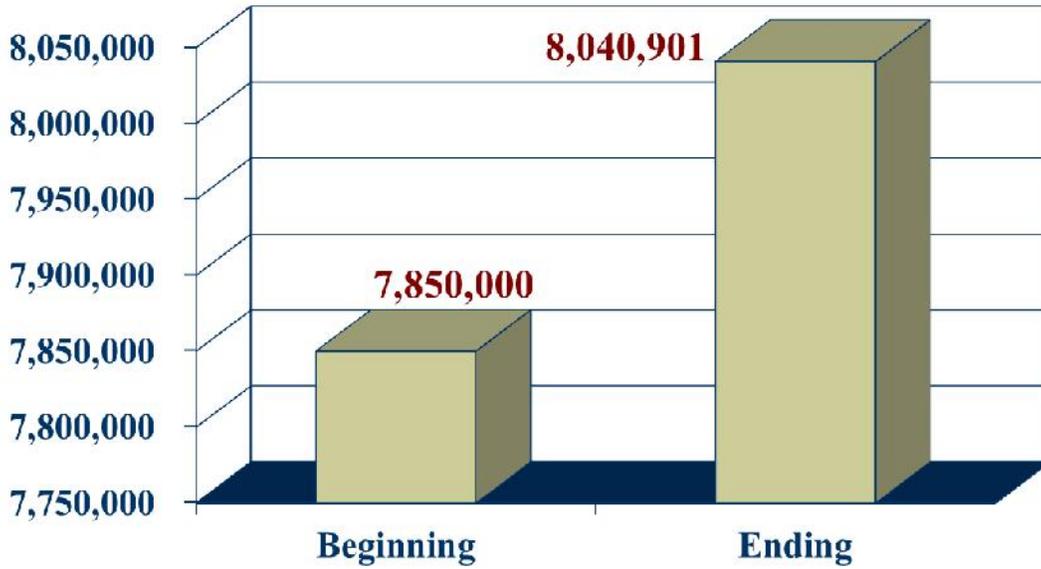
Governmental Fund Expenditures



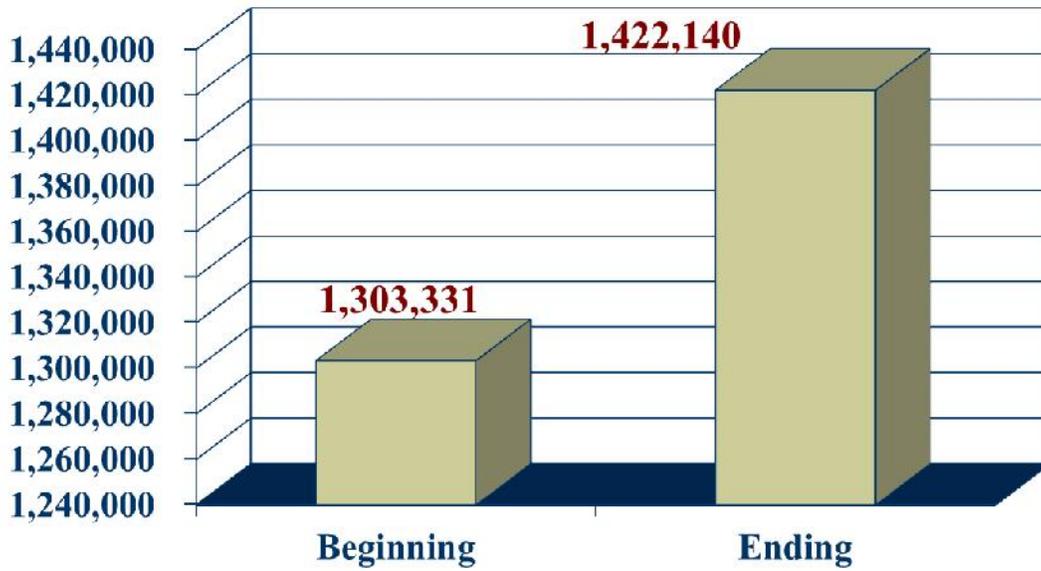
Proprietary Funds



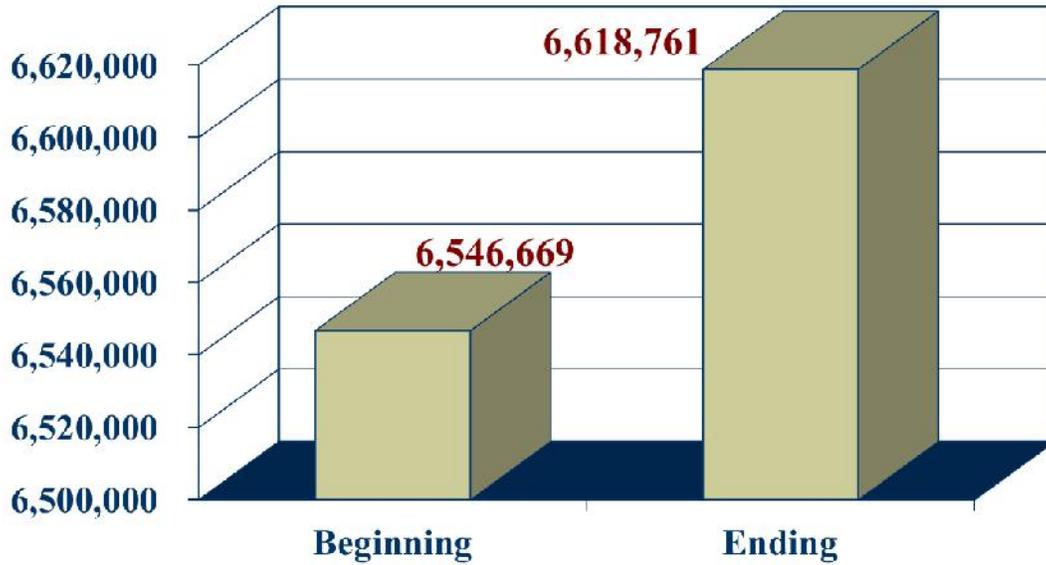
Fund Balance – All Governmental Funds



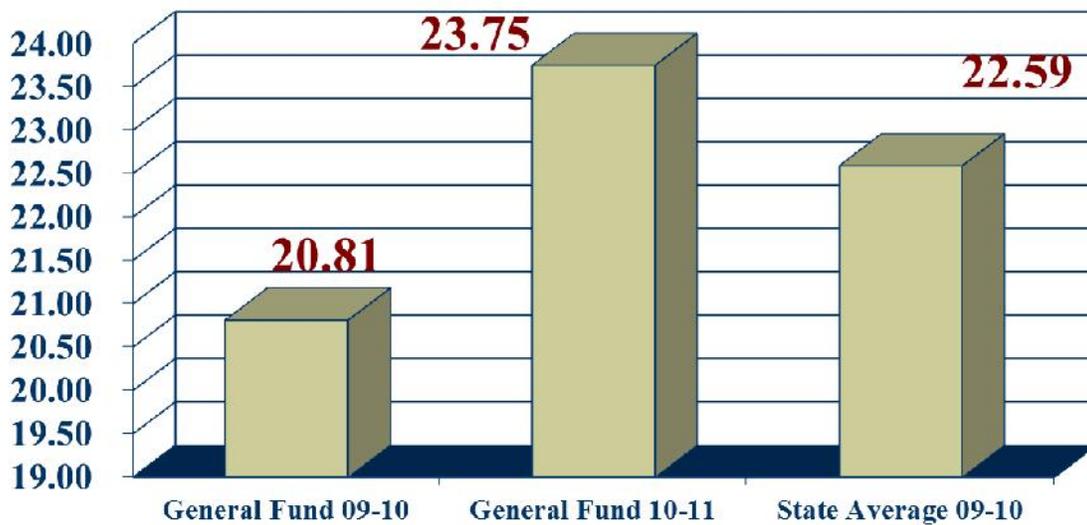
Fund Balance – Other Governmental Funds



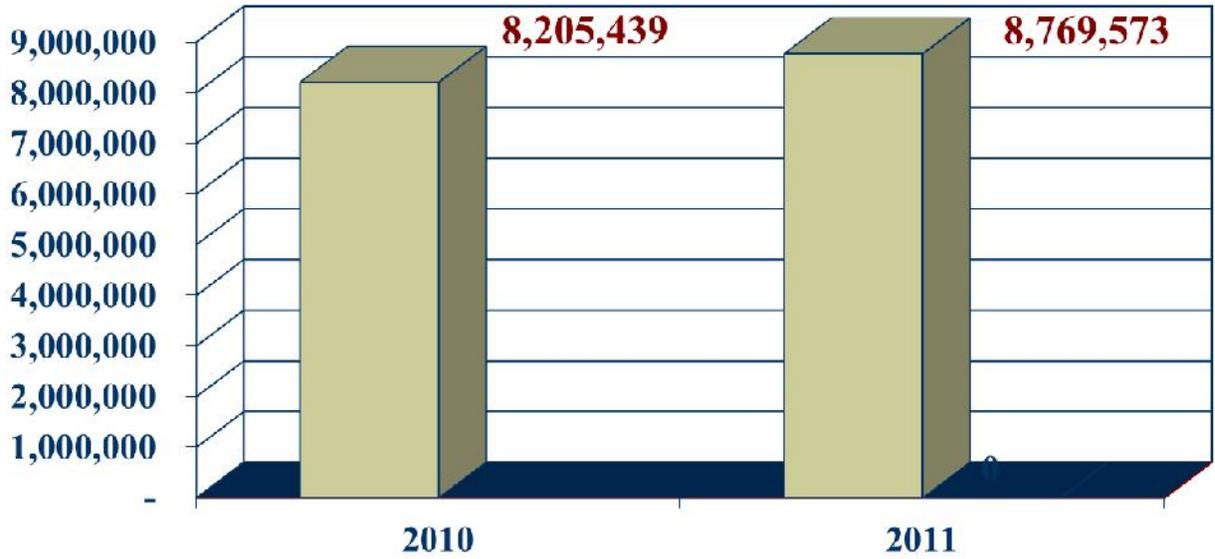
Fund Balance – General Fund



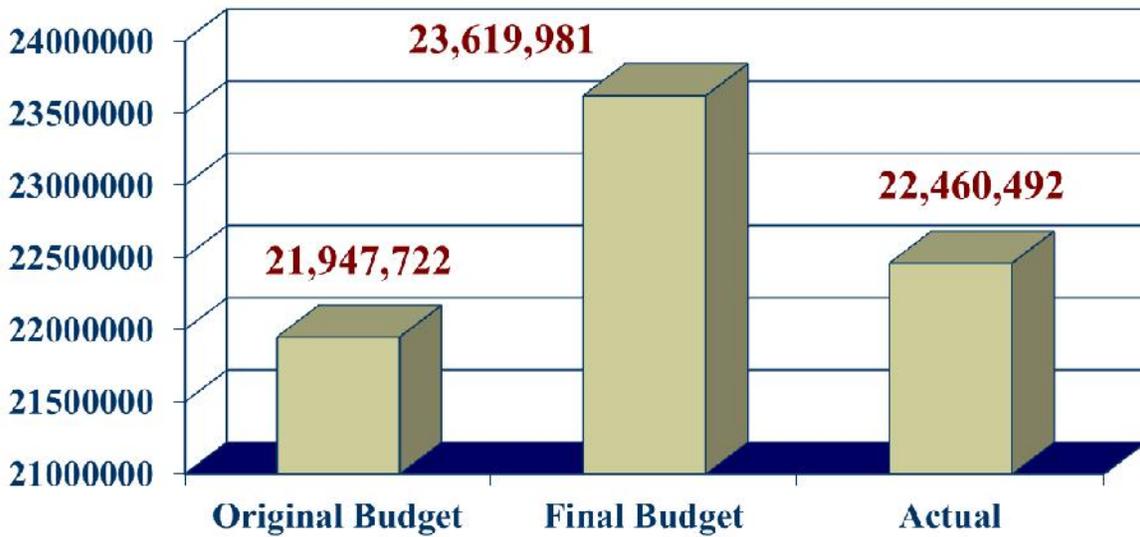
Fund Balance Available for Appropriation – as a % of Expenditures



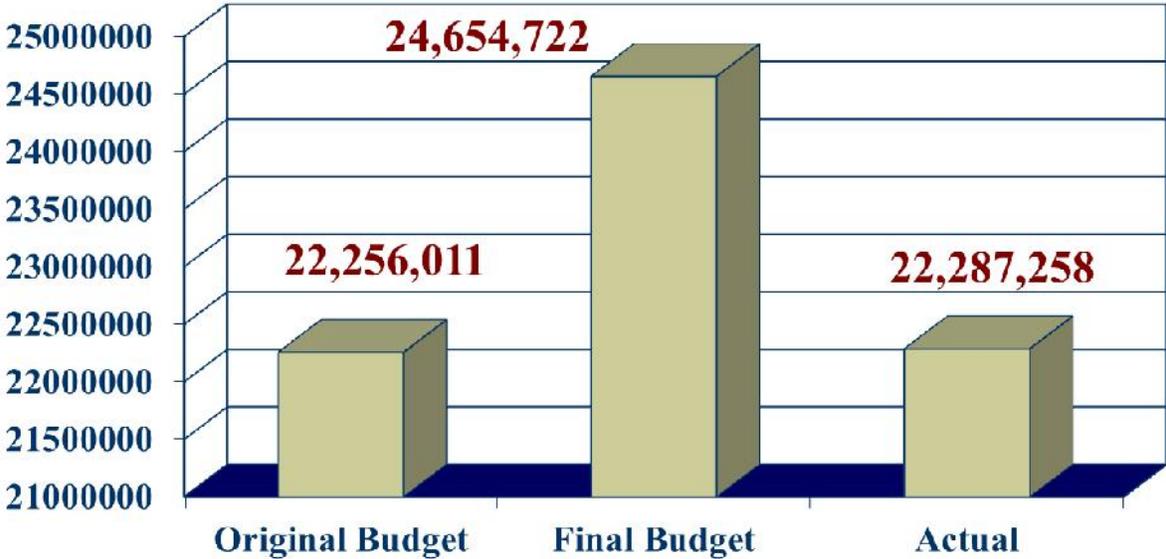
Cash



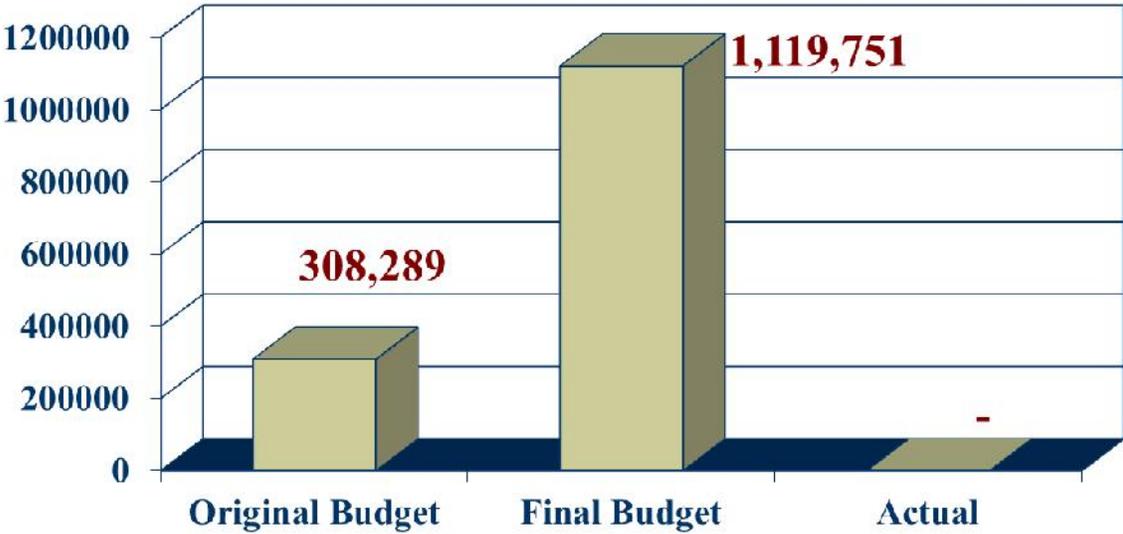
General Fund Revenues (includes transfers)



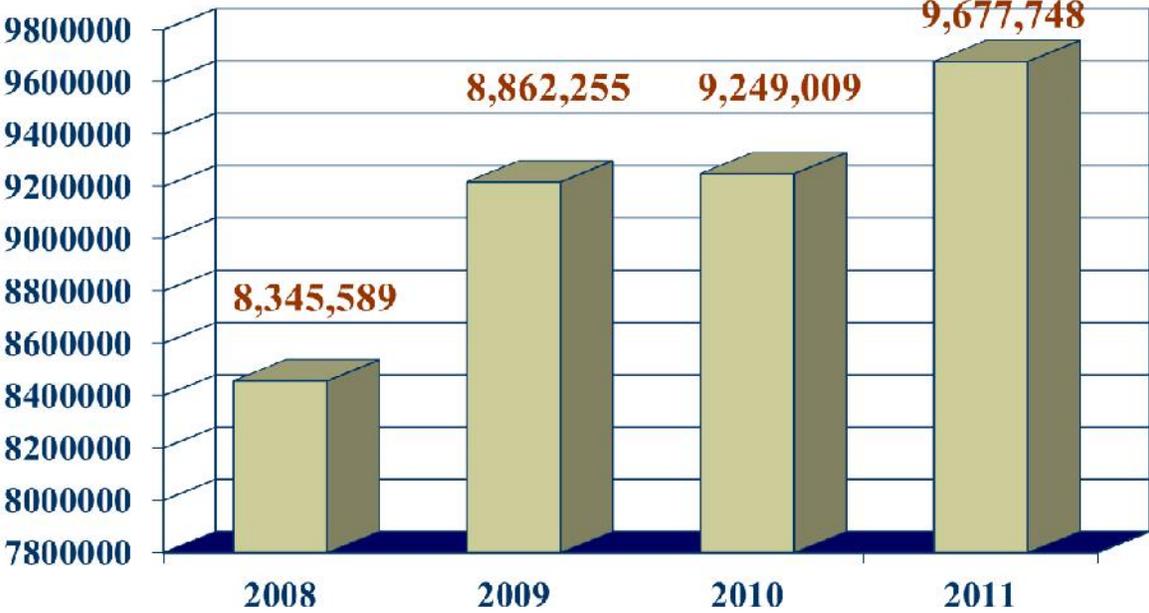
General Fund Expenditures (includes transfers)



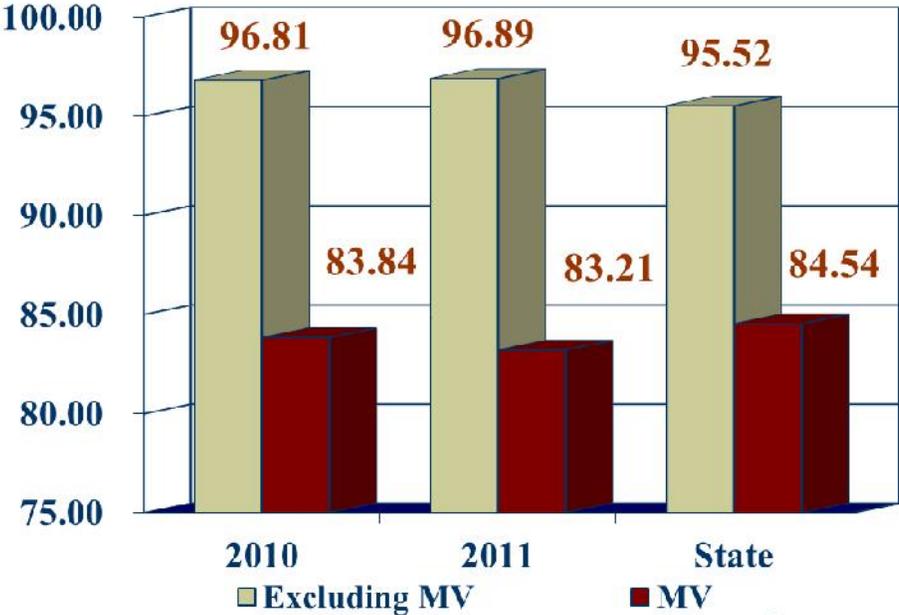
Appropriated Fund Balance



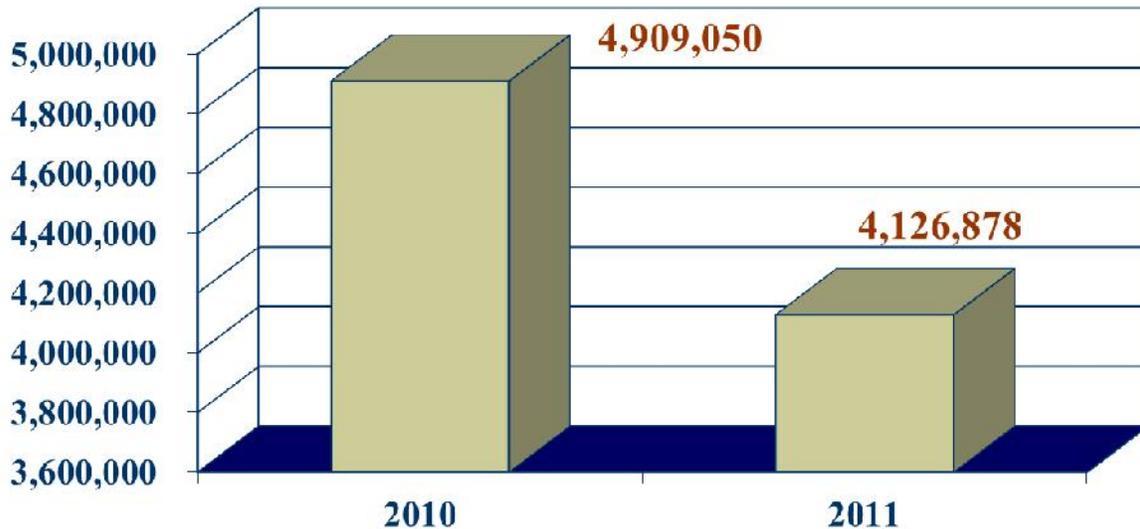
Adjusted Tax Levy



Tax Collection Percentages



Governmental Fund Debt



Commissioner Satterfield asked “Since you are going to call me back on one other item I will ask another question on General Fund Revenues. An original budget of \$21,900,000 and ended up being \$23,600,000. Expenditures ended up in the final budget at \$24,654,000. I know that is not actual as to what it ended up at but then the final budget ended up with a Fund Balance Appropriation of \$1.1 million. I don’t recall any of those numbers during the year. I don’t recall re-appropriating any money out of Fund Balance. How did we get \$800,000 appropriated out of Fund Balance and I missed all of that?” Ms. Reese responded “I don’t know off hand but I can get you a detail on that.” Commissioner Satterfield continued “I remember when we did the budget we appropriated \$308,000. During the course of the year I just don’t remember anywhere us appropriating \$800,000 in the Fund Balance as the year went on.” Ms. Reese responded “That is something that I will have to look at the budget for. I will have to get back with you on that.”

Commissioner Lucas asked “When will we discuss the findings of the audit? Is that appropriate now?” Ms. Reese responded “I can address those now.” Commissioner Lucas continued “I was looking for an explanation particular with Item 2.” Ms. Reese asked “Could you read that to me, I do not have a copy with me?” Commissioner Lucas responded “It has to do with payroll. ‘The County maintains a payroll liability account called retirement withholding. This account has maintained a balance of approximately \$11,000 since FY 2009. This amount is money owed to the retirement system. The state was contacted during FY 2010 and gave the County the option of remitting the money to the retirement system or refunding the money to the employee and withholding the applicable taxes. When we inquired of the finance officer about the status of remitting the funds, it was indicated that the amount of paperwork required to remit the funds to the state had deferred the County from completing this process. As this money is rightfully owed to the employee (or their retirement account) for services rendered, the County should work towards expeditiously completing this process.’ I wanted to ask you why this did not show

up in our audit last year if it has been like this since 2009?” Ms. Reese responded “We spoke to them about it last year. She told me that they were doing the paperwork. It does take time to get this done.” Commissioner Lucas continued “But you would have found it in the audit last year?” Ms. Reese responded “Yes, we spoke to them about it last year.” Mr. Howard added “What happened is the error occurred, all of our stuff is automated, it was picked up in bank accounts and shifted and apparently during the transition in the payroll staff that amount did not get picked up when it was supposed to be direct deposited into the retirement account. It did not actually transfer and that was not caught due to how it was done at that time. They came in and found that and we are in the process now of making sure that this is paid into the retirement system. Where does that stand now Gwen?” Ms. Vaughn responded “We are working on that issue. We have contacted the retirement system and we are looking at the process of the funding going to the retirement system. We have another case that we are working on whether we will have a penalty that goes along with that. \$11,000 is not the total amount that is to be paid. It encompasses the amount that goes to the longevity for a few employees as well as the matching funds that the county would pay. It is not \$11,000 as a total. It is about half of that that we are working to reimburse. Hopefully we will not have a penalty. We were in the process of transmitting longevity in December, the longevity did not transmit but payroll did. We did not catch that part until the auditors caught it last year. When they brought it to our attention we started working on it and it was set aside. It is in our liability account so it is not right in our face in the budget so we missed it until they came back.”

Commissioner Lucas asked “So you are talking about more than one employee?” Ms. Vaughn responded “No it is not one employee. It is the longevity for employees during that time.” Mr. Howard responded “It was the longevity checks for 2009.” Commissioner Lucas continued “Is it the matching portion that the county pays or is it the amount that is taken from the employee’s check?” Ms. Vaughn responded “It is the amount taken from the employee’s check. It ranges from \$6.00 to maybe \$60.00. We are not looking at a lot. I don’t want to discount it by that but I just wanted you to know that it is a small amount that we are trying to take care of and to reimburse to their account. We would rather reimburse it to the retirement system than to the employee because it is due to the retirement system.”

Ms. Reese asked if there were any more questions.

Chairman Hall stated “Thank you very much. It was a very informative presentation and a very good summary.”

DETENTION CENTER UPDATE AND CHANGE ORDER REQUEST

Mr. Justin Doyne came before the Board and made the following statement:

“I am going to give you a brief summary of where we stand right now. The new Caswell County Law Enforcement Center is beginning to take shape. The detention center footings are 100% complete. The footings for the admin building are probably 85-90%, I have 70% on here but I wrote this report about a week and a half ago so we have moved on. The only footings left remaining are the footing we left out to gain access to the job site. Electrical and plumbing underground rough-in has been completed for the detention portion and is continuing in the

administration portion of the job. That is scheduled to be finished late this week for a slab pour next week. The concrete slab on grade for the detention portion of the job is complete and the administration slab on grade is scheduled to be poured on February 15th of this month. Masonry will continue to be installed throughout the facility as slabs and footers are completed. The main focus of the mason will be the interior walls of the detention portion of the facility so the slab on deck can be completed. What they have to do is to bring the wall up to 8'8" so that they can put a slab on deck on the second floor of the detention portion. The site contractor is continuing to grade the new road for the facility. The curb and gutter has been laid out and installed on site and the contractor is continuing to place stone. We are scheduled to pour and place the binder, weather pending, probably next week so you will have asphalt going all the around the facility. The architect and the engineer are working on several items concerning the new facility. A muffin monster and a lift station that were requested by the owner but were left out of the original bid documents, so these were not procured and we have to procure these items."

Chairman Hall asked "What is a muffin monster?" Mr. Doyne responded "It is an inline grinder. The muffin monster is just the name of the product we purchased. It grinds up the septic waste before it gets pumped out. These were requested but they were not put in the original bids so right now I am working with the city to try to figure out what is needed or what has to be installed. There are some calculations that are out there that don't quite jive so we are actually meeting tomorrow morning to discuss that and finalize the calculations so we can get the muffin monster procured. Once all these calculations are complete we will review the changes with the owner and issue those to prime contractors for pricing. The architect is also working on the design for the connector that will connect the new jail facility with the existing courthouse. This design is still in the preliminary stages. Any questions on the summary?"

Commissioner Satterfield asked "This muffin monster and lift station, did that come out of this delay in correspondence between you and the Town?" Mr. Howard responded "Yes sir. In fact this spring I requested it to be included in the process and somehow the engineer did not include it in the final drawings." Commissioner Satterfield continued "How did the engineer think we were going to get rid of the raw sewage without a lift station?" Mr. Howard responded "That is a question that I cannot answer." Mr. Doyne responded "I am not sure sir. I can't speak for the engineer."

Commissioner Lucas asked "Didn't they say that the existing one would work?" Mr. Doyne responded "Originally they thought it would go to the existing one but the correspondence between the owner and the architect clearly states that it was not going to work." Commissioner Lucas continued "I specifically remember asking back in February, I think it is in the minutes, would the Town's infrastructure support this size facility and was assured yes it had all been checked into and looked into. I asked again in August and I don't know why I did not get a good clear answer then about the fact that there was none in the planning and it had not even been submitted." Mr. Doyne responded "I don't remember that. Was I at that meeting?" Mr. Howard responded "No, I will answer that question. You did make that request in February and at that time we were told that they thought it would handle it. In talks with the Town they did not think it would. I put in an email request to the engineer to look into this and to have him work directly with the Town's engineer to compare numbers to see if we were missing something. That failed to happen for whatever reason at that time. There were some initial

conversations. I have emails showing that but when it came down to actually preparing it and deciding on what needed to be done, that did not happen.” Commissioner Lucas asked “Is there a remote possibility that the one that is there can be upgraded?” Mr. Doyne responded “That is what we are going to sit down and discuss tomorrow.” Commissioner Lucas continued “So we don’t have any idea on what the cost could possibly end up being?” Mr. Doyne responded “No ma’am, I don’t.”

Commissioner Carter asked “This pump you are talking about installing that is going to be going to the lift station?” Mr. Howard responded “I hate to speak too much but the numbers we have don’t make sense compared with what the Town has told us. The Town has told us that the lift station will handle 70 gallons per minute. By our calculations we have twice that going to it already so somewhere we are missing something so that is why we are having the meeting tomorrow to try to figure out if something else is not going into that lift station. Our current facility, by our current calculations, sends out twice as much as that one and there are no issues with that lift station.” Commissioner Carter continued “I think that lift station handles some homes.” Mr. Howard responded “It handles the jail, some homes and most of the county buildings over there. That is why I am meeting with them tomorrow to find out what actually goes into that and what needs to happen. I think in their original calculations the Town included the old jail. We will have to work that out because that will be coming off line so you will not have that going in there. We will not have the flow coming from that facility anymore. Like I said we are meeting in the morning at 10:00 and we will discuss that and how to work it out.”

Commissioner Lucas asked “So you are actually meeting with the Town’s engineer?” Mr. Howard responded “Yes ma’am, the town manager and their engineer in the morning.”

Mr. Doyne stated “I do have a change order proposal. Currently we have one change order outstanding for post setting the door frames on the first floor of the housing unit. The reason we are having to do this is because of the unsuitable soils found at the front of the job site. We had to change the schedule to start working at the back of the facility instead of the front that was actually scheduled. We finished the slab on grade and we had to run the masonry walls up and the door frames did not make it on site to be installed before we got this done. That was due to having to flip the schedule. Originally we were supposed to start on the front of the facility and work back but the unforeseen conditions, underground, at the front of the facility we had to start at the back of the facility which increased the schedule. Essentially we flipped the two sections. I can’t say 100% but I am 95% sure that we are not going to spend this money but I had to come to you and ask because we may have to spend it this month. I am working with Norment right now. They put a proposal to me but I don’t see us having to spend this money. I just wanted to get it approved by you all.”

Chairman Hall asked “Let me understand what you are saying. Because of the flipped schedule we had to buy extra door frames, or more door frames, or more expensive door frames?” Mr. Doyne responded “We procured the door frames. It would be a different installation. Instead of presetting the door frames prior to the masonry walls going up we have to set them in after the fact which there is additional work. That is about as simple as I can explain it.” Chairman Hall continued “I got it. Somebody made the decision to flip the schedule without putting the door

frames in and now we have to put the door frames in and it is going to cost more.” Mr. Doyne responded “Yes sir.”

Commissioner Lucas asked “Who made that decision?” Mr. Doyne responded “It was a group decision. I think it was the best way to go. If not we would have had to stop working on the whole job and sit and wait instead of moving forward on the job which would leave us open for extended general conditions and everything else.” Commissioner Lucas continued “But the likelihood of having to spend the extra \$24,000 you are saying that could happen, might happen, might not happen?” Mr. Doyne responded “I am fairly certain that it will not happen.” Commissioner Lucas asked “Will not happen?” Mr. Doyne responded “Yes ma’am.” Commissioner Lucas continued “Well I would say to come back when it does happen.” Mr. Doyne responded “I understand that, I guess I could.” Mr. Howard added “I can bring it back to the Board at the next meeting which would still be this month.” Commissioner Lucas stated “I would certainly feel better about it.” Mr. Doyne responded “Okay. I should have a definitive answer by then.” Mr. Howard added “We are hoping to have an answer today but we did not get it.” Mr. Doyne stated “I think that is reasonable.” Commissioner Lucas stated “I kind of feel like the county should not be responsible for it if we did not make the decision.” Mr. Howard responded “Well it would have ended up costing us more money in the long term. If all of these contractors were sitting out there and they were adding time to the end they would then come back and say this is not our fault and you need to pay us for some of this.”

Chairman Hall stated “If and when this comes back I think we will need a pretty good justification. I understand what happened. I got the short version. I think the decision was made and somebody will have to come up with some numbers to justify it other than the cost of doing it. The cost is going to be charged to someone and that right now is the taxpayers. When you come back I would like to have a justification for that.” Commissioner Lucas responded “I disagree with you on it costing the taxpayers. I really don’t think they should pick up the tab for this. The decision was made and I really don’t think the taxpayers should have to eat this.”

Chairman Hall stated “Mr. County Manager, on the lift station, when you all meet with the Town tomorrow I would like for an update to be sent to all the commissioners right away after the meeting.” Mr. Howard responded “Okay.”

Mr. Doyne asked “Are there any more questions? I did put some pictures in there do any of you have any questions on those?”

SPACESAVER FILING SYSTEM FOR THE NEW DETENTION CENTER

Lt. Tony Durden with the Sheriff’s Office came before the Board to seek approval on a Spacesaver Filing System for the new detention center.

Lt. Durden stated “Good evening. I want to apologize for the Sheriff not being here, he had a meeting at 6:00 and I guess he could not make it here tonight. I am coming before you on behalf of the Sheriff’s Office. We are respectfully requesting money from the FF&E account in the amount of \$50,438.38. It is needed for a Spacesaver Filing System.”

Chairman Hall asked "Mr. Durden I know you know the acronyms but I don't, could you tell us what FF&E stands for?" Lt. Durden responded "I thought you knew what FF&E stood for. I apologize. It stands for Furnishings, Fixtures and Equipment. As I stated \$50,438.38 is needed for a Spacesaver Filing System from Patterson-Pope. This filing system will include evidence room storage, inmate property storage, and record storage. I thank you. That is all I have. If you have any questions I will try to answer them."

Commissioner Satterfield asked "Why are we buying these things so far ahead of time? This is for the new construction I suppose?" Lt. Durden responded "Yes sir they are. The filing systems are, most of these systems come on railings and during construction they get them fitted in."

Commissioner Jefferies asked "You want these systems added during the time the construction is going on?" Lt. Durden responded "Yes sir. This is the first request from the FF&E fund."

Commissioner Lucas asked "I have never seen that fund, so what is in there?" Mr. Howard responded "It is a little over \$300,000. It was part of the budget that was approved when the project was started." Commissioner Lucas continued "And it was broken down?" Mr. Howard responded "Yes ma'am." Commissioner Lucas asked "We got copies of that?" Mr. Howard responded "Yes ma'am."

Commissioner Satterfield asked "Mr. Manager was this piece of equipment in the FF&E fund?" Mr. Howard responded "That fund was set up to buy any equipment we would need for that facility. If we buy mattresses for the cells..." Commissioner Satterfield asked "I understand that. The question was is this piece of equipment itemized in that fund?" Mr. Howard responded "The fund was not itemized when we put it together." Commissioner Satterfield continued "So the fund was not itemized at all?" Mr. Howard responded "No sir, the fund is based on a percentage of construction and they have to live with what is in that fund."

Commissioner Lucas asked "Will there be future furniture needs also that are going to come out of this fund?" Lt. Durden responded "Yes ma'am." Commissioner Lucas continued "Do you already have prices or have gathered that information?" Lt. Durden responded "This is a specialty item, a state contracted item. Some of those items will have to go out for bids." Chairman Hall asked "I guess the question is do we have an idea of what it is going to take in total? We have \$300,000 in there and we are starting off now with fifty thousand. Just by simple arithmetic it will keep going down." Lt. Durden responded "Yes sir." Chairman Hall continued "So the answer is no they do not have a list." Lt. Durden responded "No sir."

Commissioner Satterfield moved, seconded by Commissioner Jefferies to approve the purchase requisition as presented.

Commissioner Lucas asked "Is time of the essence? Is this something that has to be acted on right away, Tony?" Lt. Durden responded "No ma'am but it needs to be done. They are pouring the slab next week so we would like to get it in to get the railings in and everything set up before it gets closed in."

Commissioner Carter asked “The reason for doing this now is you need to have the equipment in before you get the building closed in, right?” Lt. Durden responded “I don’t want to tell you wrong Mr. Carter and I don’t want to tell Ms. Lucas anything wrong but we would like to get the railings in and then we will get the equipment in once the building is closed up. It is a railing system. It locks down and that is the best way I can explain it. It is for the evidence room storage and inmate property storage. The records storage is a different animal. It does not lock down like those two.” Mr. Howard added “But railing is included. It is part of the slab pour so it is part of the actual flooring to give it stability.”

Commissioner Williamson asked “At any point will we get an expenditure or a list of what is going to come out of this fund?” Mr. Howard responded “Yes sir, we can work on that. They are in the process now of gathering everything else, I know that. We have not gotten it all but this piece needed to be done early on in the process.”

Commissioner Lucas stated “I would like to add something to what Mr. Williamson said. It would be helpful, I think, if we could get an updated report with each agenda showing what has been expended to date on the project and especially by line since we did not know this line existed.”

Upon a vote of the motion, the motion carried by a vote of five to one with Commissioner Lucas voting no.

Commissioner Lucas asked “Mr. Durden, do you know what the plans are for the old jail once it is vacated?” Lt. Durden responded “No ma’am.” Commissioner Lucas continued “Has there been any discussions about it?” Lt. Durden responded “That would be up to this Board.” Commissioner Lucas stated “I know but I thought maybe it would be used for more jail space.” Lt. Durden responded “That would be up to this Board.”

Commissioner Lucas asked “When is the first payment due on the detention center?” Mr. Howard responded “The first interest payment is due this month.” Commissioner Lucas continued “And what is the amount?” Mr. Howard responded “I don’t know off the top of my head. I can have that for you at the next meeting. The first payment totals for this fiscal year were around \$400,000, I think.” Commissioner Lucas asked “That is in interest payments?” Mr. Howard responded “Yes ma’am.” Commissioner Lucas continued “And then when will we get to make the full payment?” Mr. Howard responded “Next fiscal year. I will have the payment schedule for you at the next meeting. The way the payment schedule is working is the first three or four years it gradually increases and then it maxes out and then it starts going down again over fifteen years.” Commissioner Lucas asked “So the highest point it will get to will be what amount?” Mr. Howard responded “About \$850,000. It might be a little bit higher than that but that is right at the amount.”

CASWELL COUNTY “ROAD SIGN” ORDINANCE AMENDMENT

Mr. Brian Collie stated “Good evening Commissioners. I am coming before you tonight to talk about the possibility of amending Ordinance #19 which is an ordinance for the protection of road name signs and establishing policy for renaming of roads in the unincorporated areas of Caswell

County, NC. I was approached several months back by two sheriff deputies as requested by a court judge here in the county that we look into amending this ordinance. There was a case that came up where a deputy, I believe, was issuing a warrant at a property for something else and he noticed inside a storage building or some building that was open on the property a vast number of road signs. Long story short the guy had been stealing road signs for years. When his case came about this ordinance was brought up. On page #1 under 2 it says that ‘it shall be unlawful for any person, corporation, firm, or association of persons to alter, remove, deface, destroy, or damage any road name sign’ since the sheriff deputies did not witness him doing any of that this ordinance did not hold up. Of course he was still processed. I don’t know the outcome of the case but it is the reason for this simply to add the word “possess” in Section 2 there. I recommend putting it in Section 3 there as well to add the word “possess”. The Caswell County Planning Board passed by unanimous vote to add the word “possess” after destroy on page 2 of the ordinance. I would also like to see it added in Section 3 now that I have looked more into it.”

Chairman Hall stated “I read it and I think it should be added in Section 3 as well. This is an amendment do we need to have a public hearing? Do you have any thoughts on this?” Mr. Ferrell responded “No sir, Mr. Chairman. This is a basic ordinance amendment and if it is passed unanimously here tonight it would be inserted into the actual ordinance.” Chairman Hall continued “Do you have any thoughts on what has been recommended in Section 2 and 3.” Mr. Ferrell responded “I agree if you are going to add it in Section 2 it makes sense to add it to Section 3 as well. I was not privy to the conversation with the district attorney but that is the request that has been made.” Mr. Collie stated “I was told by the deputies and after looking at it, it made sense to add “possess”.

Commissioner Carter stated “I think it would be a good idea to have the attorney to speak with the DA just to get his thoughts on this since he will be the prosecuting authority.” Chairman Hall responded “It was my understanding, when it went to court the judge expressed his concerns about it. The DA can still decide not to prosecute someone.” Commissioner Carter continued “What I was saying was to have the attorney to discuss it with the DA to make sure of what we need to do. You said you had not spoken to the DA and no one has spoken to the DA.” Mr. Ferrell responded “Not as far as I am aware of. I am certainly happy to do that. It would not necessarily conclude the adding of the word “possess”.” Commissioner Carter asked “Do you feel comfortable with putting it in Section 2 and 3?” Mr. Ferrell responded “I certainly don’t believe that a conversation with the district attorney would preclude this Board from adding that whatsoever. I am happy to check in with him to see if he has any issues with the ordinance in general or something else we might need to work on but I don’t think that conversation would preclude this Board from making an amendment if it so chooses.”

Commissioner Satterfield moved, seconded by Commissioner Williamson to accept Mr. Collie’s request and the Planning Board’s request to add “possess” in Ordinance #19 in Section 2 and Section 3. The motion carried unanimously.

RECESS

The Board held a brief recess.

APPROVAL OF THE CASWELL COUNTY JOINT ADULT CARE HOME & NURSING
HOME COMMUNITY ADVISORY COMMITTEE BYLAWS

Chairman Hall asked “We don’t have anyone here from that board do we? Were there any questions that can be addressed by the county manager? I have one question that I will ask our counsel. In their bylaws it speaks of a quorum and I think it says a quorum is 50% of the number of members. I think there are nine members for that board.” Mr. Ferrell responded “So that makes 4.5 the quorum number.” Chairman Hall continued “I thought it would be a good opportunity, if the board so desires, to address this issue of what is a quorum.”

Commissioner Lucas asked “How active is this committee currently and are all the vacancies filled?” Mr. Howard responded “This is a very active board and there are no vacancies. They meet regularly.” Commissioner Lucas continued “I served on it previously and I know there were some difficulties getting people to serve back in 2004.” Chairman Hall added “I am on that board but I am not as active as most of them. That board meets once a quarter. What are our thoughts on a quorum?” Mr. Ferrell responded “A suggestion would be as it appears in your rules you can either take $\frac{1}{2}$ and round up to the next highest whole number or you can take $\frac{1}{2}$ and round down to the next lowest whole number. It is based on how active the board is and how difficult it is to get a quorum ultimately. Those are two ideas that reflect what your rules and procedures do for when you are dividing numbers up.”

Chairman Hall stated “I don’t know if this is an issue but when I read it this caught my eye.” Mr. Howard responded “I am not aware of this issue either. Usually these commissions will bring it to our attention if they are having problems with getting quorums. I do understand your point. If they are not having a problem it will not affect them one way or the other.”

Commissioner Satterfield moved, seconded by Commissioner Jefferies to change the wording from “consist of one-half of the number of persons” to “consist of a majority of the members” under Section E. Quorum.

Commissioner Lucas stated “Just a thought on Article IIX Amendment of Bylaws. It says ‘may be amended by two-thirds majority of all the members present at a committee meeting.’ and ‘any changes proposed in these bylaws must have been sent to all committee members one week prior to the meeting’ so they would need to approve whatever change we make, is that correct?” Mr. Ferrell responded “Apparently by the signature they have approved these bylaws so if you were to amend it, it would have to go back to them to get another approval.”

Upon a vote of the motion, the motion carried unanimously.

Commissioner Lucas stated “In Article XII do you want to leave it at two-thirds or a majority?” Chairman Hall responded “It says two-thirds of the people present. So if they have 3 people out of 9 present so they cannot meet without a quorum.”

Commissioner Satterfield moved, seconded by Commissioner Jefferies to approve the Caswell County Joint Adult Care Home & Nursing Home Community Advisory Committee Bylaws as amended. The motion carried unanimously.

FRAUD, WASTE & ABUSE HOTLINE

Chairman Hall stated “We have established a hotline. I think it was reported at our last meeting. There have been some internal discussions with the county manager, the clerk, and myself as to who will monitor that hotline. My suggestion to the Board is since the clerk reports directly to this Board that we assign that task to the clerk. That would be my suggestion. I wanted to throw that out. If that seems like a good idea I will move forward with the motion.”

Commissioner Jefferies asked “In case the clerk is out can the county manager be involved?” Chairman Hall responded “My thinking is that there may be something on the hotline involving the county manager. We can push it up to the Personnel Chair or somebody if needed.”

Commissioner Hall moved, seconded by Commissioner Jefferies to have the Clerk to the Board to monitor the Fraud, Waste and Abuse Hotline. The motion carried unanimously.

BOARDS AND COMMISSIONS JCPC Youth Representative

Commissioner Carter moved, seconded by Commissioner Williamson to appoint Nicholas Pennix to the Juvenile Crime Prevention Council. The motion carried unanimously.

APPOINTMENT TO THE TRANSPORTATION ADVISORY COMMITTEE

Chairman Hall stated “Do we have any volunteers for that position. I served on that committee before but it conflicts with another board that I am on. They meet in Kernersville most of the time. The meetings start at 10:00 a.m. We will hold off on this for a little while.”

DEPARTMENT OF COMMERCE GRANT CERTIFICATIONS

Mr. Howard stated “You have a memo in your packets explaining the process of the last three grant applications: 2008, 2009 which was not funded and 2010 which was funded and we are currently in the process. As of today no funds have been expended on that. You also have a copy of the minutes from 2010 for the grant application that states in error that a meeting was held. We did not actually have a selection committee meeting. What happened was, if you read through the memo, the 2009 grant was not funded. In 2010 The Department of Commerce again asked us to send applications to those who were not funded through the 2009 application process. What we basically did was regurgitated the applications from 2009 and sent that in. There was not a formal meeting held. The grants do not necessarily require a formal meeting. There was a conversation between myself and Mr. Walser. What we decided was to use the homes in the 2009 grant because that was what we were asked to do by the state. That is how the homes were selected. It came from the 2008 applications that we received. We took out 10-15 homes that were done in 2008 and moved down that list and chose the next ones for the 2009 grant which

was not funded and then resubmitted them for 2010. Any questions? I know there were some concerns about that. I did not realize the state application had the meeting in there.”

Chairman Hall stated “The short version is there was no meeting?” Mr. Howard responded “Correct, no actual, physical meeting with everybody in one room.” Chairman Hall continued “There was a telephone conversation.”

Commissioner Lucas stated “But the work was given to Hobbs, Upchurch based on the fact that they had minutes from a meeting that supposedly took place. The way they are selected through Commerce is they are assigned points for the package that they submit.” Mr. Howard responded “Correct.” Commissioner Lucas continued “They are assigned points for the application forms, survey forms, minutes of the selection committee meeting. So actually it was false, the information that was sent to Commerce.” Mr. Howard responded “I have been trying for a week now to get, I have a couple of people at Commerce that are discussing this and to point that out. I know in other counties they did not consider that as long as something happened, some kind of selection process and we can verify that they are okay with that. I am trying to get something from Commerce, whether they will do that or not, I don’t know. I know in one of the other counties this issue was the same and someone from Commerce stated they were okay as long as some type of selection took place. What makes both of these grant applications so different is they were time sensitive. The one in 2009 was here as a stimulus package and they said if you want to apply for these funds get it out.” Commissioner Lucas responded “That is what made it bad because it was such a short, condensed time frame to get the information there and certain people I understand cut corners to get that done. I am not taking issue with Michael Walser. It is just the fact that the information is not correct and it needs to be correct. The fact that he was awarded the work to do and taking short cuts to get it done did not seem completely appropriate.” Mr. Howard continued “I understand what you are saying with that but I don’t think there was an intent to do anything wrong. What I am trying to do is to tell Commerce is what this says is not accurate. Basically what I am asking is there an issue with the application. I guess what I am telling you is in 2010 we were asked specifically that we have funding for you send us the applications and you will get the funding.” Ms. Lucas responded “And in turn Hobbs, Upchurch got a nice administrative fee for handling the grant process, which is fine.”

Chairman Hall stated “The grant was made to benefit Caswell County.” Ms. Lucas responded “It absolutely was.” Chairman Hall continued “If it was not Hobbs, Upchurch we would have had to hire somebody or hire additional staff that is just the bottom line on that. We opted not to hire staff over the years. We do have that option to hire someone to do this for us.”

Commissioner Lucas asked “So you are waiting to hear from Commerce?” Mr. Howard responded “The last telephone call I made on this request was a week ago and I have not heard anything back yet. I did talk with someone and they said they would get back with me and I have not heard anything back yet.”

Chairman Hall asked “Fellow commissioners as it relates to the certifications on this project what is your pleasure?” Commissioner Lucas responded “Chairman Hall, I for one can’t support certifying the information without getting an okay from Commerce saying that they will accept what has been sent to them as being okay. That is my opinion.” Chairman Hall responded “In

my opinion, I don't think the county manager is going to get that. I think we all agree that perhaps this was not done the right way. We know that there was not a physical meeting and he should not have suggested that it was. I see that this does not only cover the contractors but the county. I also think that it did not go the best way but I don't want to jeopardize half a million dollars in the rehabilitation project for the county. With that thought in mind I will have to support moving forward with the certification. The biggest concern I had early on was that the families involved and whether or not the signatures were authentic. Through assistance from the sheriff's department we had those signatures verified. With that thinking in mind I think we can move forward to the next grant dollars for the citizens of this county."

Commissioner Carter stated "We did have an investigation done on this and the signatures were valid." Commissioner Lucas responded "You are talking about 2008 and we are talking about 2010. They did go out on the 2008 grant recipients." Chairman Hall stated "The difference in 2010 is we have not expended any monies so there were no signatures to verify." Commissioner Lucas responded "Initial applications and survey forms were taken from 2009." Mr. Howard responded "2009 was actually taken from 2008." Commissioner Lucas continued "You are actually talking about the same homes and the same people from 2008 to 2010." Mr. Howard responded "For 2009 they were asked to turn the applications in quickly. We had just finished the 2008 project when this came up." Commissioner Lucas stated "The 2008 process included 6 houses and we are talking about 18 in 2010." Mr. Howard responded "Yes ma'am. The signature certification is based on the houses that actually had work done. Sometimes in the process when we sit down and discussed this further with the homeowners and explain okay you have to sign a document that puts a lien on your house for ten years, fifteen years or however long some of them back out once we get to that point. Then we move down the prioritized list and pick up the next home."

Chairman Hall stated "I think what is not clear is why we had 6 homes that we worked on and we had a list of 18 to 20 on the list." Mr. Howard responded "Our list is about 50 homes." Chairman Hall continued "And we had those applications prioritized?" Mr. Howard responded "Yes sir and what happens is once we get the grant they are asked to update those applications again to make sure that they still qualify for those funds. There is a time frame that takes place from when the grant is turned in and when we receive funding and actually get to the homes so in some cases we have to look at that again to see if they still qualify."

Commissioner Lucas asked "Given the circumstances can someone else administer this grant besides Hobbs, Upchurch?" Mr. Howard responded "For 2010, I don't know. That is something I would have to ask the state because we are in the process. We have the homes selected, paperwork is completed and are ready to begin the work." Commissioner Lucas asked "Can we find that out?" Mr. Howard responded "I can tell you for certain with the 2012 grant we will send out RFPs for a consultant to handle the grant. We did not do that for these two grants because of the nature of the grants. For the normal grant process we have to do an RFP. They also help up do that grant. We have to do an RFP once we get the funds to actually spend those funds. It is a requirement of the state. We usually get between three, four or five proposals when we do that."

Commissioner Lucas stated “I don’t think we are in jeopardy of losing that money. I think the question is do you want to continue to do business with Hobbs, Upchurch that has falsified information to be able to do this work for the county or entertain other folks.” Chairman Hall responded “From what I understand in the next grant cycle we have the option or the requirement to do an RFP. What we are trying to do is to finish the current grant the county received for half a million dollars minus the fees.”

Commissioner Lucas asked “What is the administration fee?” Mr. Howard responded “It is very minimal compared to other consultants. It is around thirty or forty thousand dollars at the most. To be honest with you the last few times we have done RFPs their fees have been the least of the ones that came in.”

Commissioner Jefferies asked “Can we have our inspector to check behind this so we can make sure that the work is done and not falsified?” Chairman Hall responded “I will agree the minutes or the notes he put in there were not accurate however the \$450,000 that we received for the houses to be rehabilitated was used and verified by the homeowners that the work was done. You made the statement of ‘false statement’. I just want to make sure that you know the work was done.” Commissioner Jefferies asked “Well were did we come up with false statements?” Chairman Hall responded “As we looked at the information and looked at the timing of this thing Ms. Lucas noticed that in their 2010 grant information a meeting was not held.” Commissioner Lucas added “We are talking about two different grant cycles. The grant that the work was done on was 2008. We are talking about the 2010 grant which is for half a million dollars.”

Commissioner Carter moved, seconded by Commissioner Jefferies to approve the 2010 certifications for the 2010 CDBG Housing Grant.

Mr. Ferrell stated “I just verified through the County Manager that the Board had approved the 2008 certifications. Again this motion is just for the 2010 cycle.”

Upon a vote of the motion, the motion carried by a vote of five to one with Commissioner Lucas voting no.

COUNTY MANAGER’S REPORT Pelham Water Tank

Mr. Howard stated “Things are continuing on this project. The paint will be completed but they still have to do the electrical and to hook up the water lines to that tank. It should be completed within the next month.”

Town of Yanceyville Council Meeting Dates for April

Mr. Howard stated “The next item I have is to discuss the next meeting with the Town of Yanceyville.”

The Board discussed possible meeting dates in April. The three dates that were discussed were April 9th, 23rd and 24th at 6:00 p.m. at the Yanceyville Municipal Building. The Board would

also like to include the Town of Milton in this meeting if the Town of Yanceyville is in agreement.

ANNOUNCEMENTS

Commissioner Jefferies stated “I had a fireman come to me and asked about the boats at the landfill. They would like to get one of the boats to fix up to have at the fire station in case they have the need for it.” Mr. Howard responded “A couple of them are junk. I will check into this and I will report back to you at the next meeting.” Chairman Hall asked “Can you contact the fire department in Semora?” Mr. Howard responded “Yes sir.”

Commissioner Jefferies stated “County Manager, mental health called me and stated that we were supposed to appoint another person to that board.” Mr. Howard responded “We are scheduled to do that at the next commissioners meeting.” Chairman Hall added “The information was not received prior to the agenda going out so it will be put on the next agenda.”

Commissioner Satterfield asked “Mr. Chairman, again can we get our capital projects list put on the iPads so we will kind of know where we stand on the capital projects, how much is in the capital fund balance, and what we have done and what we have completed and have not done.” Mr. Howard responded “I will get that to you. I was actually planning to do a formal presentation at the next commissioners meeting to go over all of those.” Commissioner Satterfield continued “Can you have it put on here so we can keep up with it?” Mr. Howard responded “Yes sir.” Commissioner Satterfield continued “And updated as projects are completed Mr. Manager?” Mr. Howard responded “Yes sir.” Chairman Hall stated “I had asked the county manager this past week to give us an update and I asked Ms. Seamster to put it in the appropriate place so it will get to our drop box.”

Commissioner Williamson stated “I just wanted to let the Board know that I am still working from 7:30 a.m. to 3:30 p.m. I can make some time during the day available if there is an important thing that we need to address.”

Commissioner Lucas asked “Is there any office space available where mental health was?” Mr. Howard responded “There are a few offices up there, yes ma’am.” Commissioner Lucas continued “I was approached by Michael Kent, the pastor at Lively Stones. They are starting a new, well it is in place, a substance abuse and treatment program. I think it is AA but I am not sure. They are wanting to locate to a more central location and was inquiring about possible office space available in Yanceyville. Because they are offering such a service they thought it would be better utilized if it was more centrally located. I told him that there may be some spaces there.” Mr. Howard responded “We actually have one large office that can be used to hold meetings in. That is open at the moment.” Commissioner Lucas continued “I don’t know how the rest of the Board feels about that.” Chairman Hall responded “We have had, in the past, through an agreement with the LME to provide these services to the public. I don’t see why this Board would change that. My suggestion would be that any of us that know someone who is looking for office space to have them contact the county manager. Then this Board will make a

decision after that.” Commissioner Lucas stated “I will do that. I will contact him and have him call you to get up a meeting.”

Chairman Hall stated “That reminds me and we can put this on the agenda for the next meeting. We do not have as best I can tell a countywide policy to rent space for special occasions for all buildings. I understand we have a policy for this building but we don’t have one for all buildings. We have some folks that are a little concerned that some of our buildings are being rented or leased out a little more subjectively or objectively because we don’t have a policy.”

CLOSED SESSION

Commissioner Carter moved, seconded by Commissioner Jefferies that the Board enter into Closed Session to consider the compensation, terms of appointment and performance of an individual public officer (NCGS 143-318.11(a)(6) and to discuss matters relating to economic development (NCGS 143-318.11(a)(4)). The motion carried unanimously.

REGULAR SESSION

Commissioner Satterfield asked the county manager if the new maintenance director and the Board of Commissioners could get together with the school maintenance and the School Board to establish a relationship of working together on some of the county’s projects. He suggested the possibility of using school maintenance and reimbursement the School Board for their time and vice versa.

Chairman Hall stated that the Board of Commissioners needed to schedule another meeting with the School Board. He also added that the county may also need to reach out to the Town of Yanceyville for their assistance as well on these projects.

ADJOURNMENT

At 8:43 p.m. Commissioner Jefferies moved, seconded by Commissioner Williamson to adjourn. The motion carried unanimously.

Paula P. Seamster
Clerk to the Board

Nathaniel Hall
Chairman
