

MINUTES – MARCH 9, 2009

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, March 9, 2009. Members present: Jeremiah Jefferies, Chairman, George W. Ward, Jr., Vice-Chairman, Eric D. Battle, William E. Carter, Nathaniel Hall, Gordon G. Satterfield, and Kenneth D. Travis. Also present: Kevin B. Howard, County Manager, Michael R. Ferrell, County Attorney, and Angela Evans representing The Caswell Messenger. Wanda P. Smith, Clerk to the Board, recorded the minutes.

MOMENT OF SILENT PRAYER

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

APPROVAL OF AGENDA

Commissioner Travis moved, seconded by Commissioner Ward to approve the agenda as presented. The motion carried unanimously.

APPROVAL OF CONSENT AGENDA

Commissioner Ward moved, seconded by Commissioner Travis to approve the Consent Agenda as presented. The motion carried unanimously.

The following item was included on the Consent Agenda:

- 1) Approval of Minutes of February 16, 2009 Special and Regular Meetings

PUBLIC COMMENTS

Chairman Jefferies opened the floor for public comments.

Mr. John Claggett came before the Board and made the following statements:

“My name is John Claggett. I reside at 108 Jaye Lane, Providence, NC. I thank the Board for allowing me to once again address them publicly.

Is Hayes Iron and Metal currently out of compliance with The Caswell County Outdoor Storage Ordinance? As of 10:00 a.m. this morning they were out of compliance.

What’s not to understand about granting a variance to this ordinance?

In accordance with The Caswell County Outdoor Storage Ordinance and I quote, “It is unlawful and a violation of this Ordinance to establish, create, expand, occupy, maintain, or operate a facility for Outdoor Storage as defined herein, in Caswell County, without first obtaining all

applicable permits. **All terms and conditions of said permits shall be complied with at all times. Failure to be in compliance constitutes a violation of this Ordinance.** Each day of each violation constitutes a separate and distinct violation of this Ordinance.”

Gentlemen, Hayes Iron and Metal is currently and has been out of compliance with the Caswell County Outdoor Storage Ordinance. By granting a variance you are knowingly permitting unlawful expansion as well as disregarding the safety of our citizens.

Thank you.”

Mr. William Nelson, of 13231 NC Hwy 86S, Prospect Hill, NC came before the Board and stated that he has heard that there is discussion about moving the dumpster from its current location in Prospect Hill. Mr. Nelson submitted a petition with names requesting that the dumpster remain in the community. Mr. Nelson informed the Board that Mr. Buddy Porterfield lives one-quarter of a mile from the current location and he is very interested in having the dumpster moved to his property. Mr. Nelson thanked the Board for its consideration in this matter.

Mr. Buddy Porterfield of 14084 NC Hwy 86S, Prospect Hill, NC came before the Board and stated that he would be glad to have the dumpster placed on his property and he would look after it. Mr. Porterfield added that they really need one there and the area is growing. Mr. Porterfield stated that he would appreciate it if the Board would consider locating the dumpster on his property.

Mr. George B. Daniel, Attorney, came before the Board and stated that the tax foreclosure process will be starting again in the next week or so. Mr. Daniel added that given the current economic climate, there will probably be a larger number of foreclosures in the County than in the past; therefore, the Board may want to consider beginning the process earlier because if some of the properties go into a lending institution foreclosure, the County is at the mercy of whatever length of time that may take as opposed to tax foreclosure.

Mr. Daniel provided the following report on the Foreclosure Process:

- 1,622 accounts turned over to Attorney
- 34 parcels sold
- 1134 accounts paid in full
- 67 accounts entered into payment plan
- 21 bank attached by county
- 34 accounts that are in debt setoff
- 43 entered into bankruptcy
- 23 in-rem foreclosure procedure
- 266 files moving forward

The collection rate for the 2007 tax year is 95.43% as of 6/30/2008.

The collection rate for the 2008 tax year is 4.31% ahead of last year on same date.

Mr. Daniel noted that this means that the County has an additional \$392,000 to work with in dealing with the needs of this County. Mr. Daniel informed the Board that to date there has been \$4,336,546 collected in tax foreclosures.

Mr. Daniel urged the Board to move quickly in its tax foreclosure proceedings because this is one year that will have a lot more foreclosure actions.

REQUEST FOR VARIANCE OF OUTDOOR STORAGE ORDINANCE

Ms. Catherine Taylor, Director of Human Resources for Hayes Iron and Metal, came before the Board and stated that she and Mr. Charlie Wright, Vice-President, Hayes Iron and Metal, are present to ask for its approval for various needs for their yard so that they can meet the concerns of the community. Ms. Taylor noted that the concerns they would like to address are traffic, mud/debris on roads, noise, location of property, and chemical hazards on site.

Ms. Taylor provided the following information about Hayes Iron and Metal:

Hayes was founded over 75 years ago by two brothers.

Today, we employ 35 employees, providing benefits such as healthcare assistance, 401(k) match, personal time off and family leave.

We pay local residents for their metals, removing waste from the county as well as sustaining other local business owners.

We collect Caswell Count's recycling.

Ms. Taylor provided the following information about the past and future of Hayes Iron and Metal:

Approximately 30 years ago, the State of North Carolina requested we move from our previous location for road expansion, we owned the property on Walter's Mill Road, with the permission of the state we relocated.

We are addressing the needs of our business as well as the community's by pouring concrete on the bulk of our yard and creating a spray pad for trucks as they exit the property.

Adding a new metal processing building, increasing our need for additional employees.

Ms. Taylor provided the following information about Hayes Iron and Metal's business:

We are open Monday thru Friday, 7 a.m. until 5 p.m. and Saturdays 8 a.m. until noon, we observe six holidays during the calendar year.

We are a metals supplier, aiding in the recycling of various metals, decreasing the world's carbon footprint.

We do not accept containers with hazardous chemicals.

A local engineering firm tests our water run off to ensure we continue to keep our community safe.

Our reputation for quality allows us to work nationally and internationally within our industry. We participate and donate to local charitable events.

Ms. Taylor stated that with the Board's approval Hayes Iron and Metal would like to do the following:

Hayes will add a turning lane to the property, decreasing traffic to main road.

Add spray pads to property, enabling us to eliminate waste from trucks as they exit Hayes.

Utilize the additional property to create one entrance, one exit, again addressing the current traffic problem.

The new property would allow additional expansion; new jobs created in Caswell County.

Mr. Michael Ferrell, County Attorney, noted to the Board that the meeting tonight is a preliminary review of the variance request and is not a public hearing, at which time a decision would be made on the merits of the request.

Mr. Charlie Wright, Vice-President, Hayes Iron and Metal, came before the Board and stated that he has received warnings concerning noncompliance of the Outdoor Storage Ordinance and added that they are within their time limit of erecting the fence. Mr. Wright added that a contractor will begin next week in erecting the fencing to block the view and noted that they are waiting on the materials. Mr. Wright stated that one problem is erecting the fencing prior to adding the turning lane if they are able to use the property and noted that there is considerable expense in erecting a fence all along his property. Mr. Wright added that if the fence is erected now and they obtain approval to put in a turning lane, they will just have to tear the fence down and then put it back up. Mr. Wright noted, however, that since they have received a warning letter and they have a certain amount of time to erect the fence, it will be done and they will come into compliance.

Commissioner Satterfield noted to Mr. Wright that when he met with him in December, 2008, he told him that he was in the process of obtaining prices for putting up a fence, yet it is now March and when riding by the property yesterday, saw that there has been no progress made. Commissioner Satterfield stated that Mr. Wright is asking that the Board consider granting a variance at a later date, yet he has been out of compliance for quite some time. Commissioner Satterfield added that he is looking for Mr. Wright to come in compliance with the Outdoor Storage Ordinance. Mr. Wright stated that it has been several months that he has been out of compliance, and noted that he put the fence project out to bid. Mr. Wright added that he has tried to avoid the extra cost of erecting the fence and then having to tear it down and replace it. Mr. Wright stated that he is late in erecting the fence, but it will go up. Mr. Wright noted that screening is the only thing that is not in compliance with the Outdoor Storage Ordinance.

Mr. Wright stated that people in the community have been concerned with stormwater runoff and hazardous chemicals, but assured the Board that they have to follow strict guidelines by the North Carolina Department of Natural Resources and they come out and visit the site unannounced to test the stormwater runoff and they have never had a violation. Mr. Wright added that mud on the road has also been an issue, but they have plans to take care of this issue if they are able to do so.

Mr. Wright informed the Board that due to the increase in the scrap metal industry, he went from four to 20 employees in three months. Mr. Wright stated that they are now trying to correct the problems that were caused by this.

REQUEST FROM HEALTH DEPARTMENT

Dr. Fred Moore, Health Director, came before the Board to ask that they reconsider a previous request for a pay increase for the Public Health Educator. Dr. Moore stated that in November, 2008, he came before the Board of Commissioners and asked for a four percent salary increase for the Public Health Educator who took on supervision responsibilities at the beginning of this fiscal year. Dr. Moore added that the Board of Health has discussed this issue at several of its meetings since November and they directed him to request that the Board of Commissioners reconsider its decision.

Dr. Moore stated that it has been the tradition at the Health Department since before he was hired in 1999, that an employee who becomes a supervisor is to receive a four percent pay increase. Dr. Moore informed the Board that Ms. Jennifer Eastwood, Public Health Educator, became a supervisor in July, 2008 when she took on the supervision of two employees. Dr. Moore stated that this change was anticipated and the funding was included in the approved budget for this fiscal year; however, due to the budgetary confusion early in the year, he was advised to wait a few months before requesting permission to use these funds that were budgeted for supervision. Dr. Moore added that he came before the Board in November and his request was denied.

Dr. Moore stated that in light of the Board's recent approval of a two percent pay increase for supervision in the Sheriff's Office, his request is being modified to match the two percent salary increase. Dr. Moore added that this increase calculates to \$744 per year and the Board of Health is requesting that this increase go into effect retroactive to July 1, 2008, since that is when her supervision responsibilities began.

Dr. Moore informed the Board that the funds for the two percent salary increase are already included in the budget and are paid, for the most part, from state funds based on the programs in which she works. Dr. Moore stated that the Board of Health is not requesting any additional County funds or an increase in the Health Department's overall budget, but it is requesting to use the funds that have already been approved by the Board of Commissioners.

Commissioner Ward stated that this is the first time that he has heard that the salary increase would be paid from state funds and not County dollars. Dr. Moore clarified that this increase would be paid from a State Health Promotion Grant that they receive every year.

Commissioner Travis stated that if the grant is not awarded next year, then it will be county tax dollars.

After further discussion, Commissioner Travis moved, seconded by Commissioner Ward that the request by the Board of Health for a two percent salary increase for the Public Health Educator be denied.

Commissioner Satterfield stated that at the Board of Health meeting he personally talked to Dr. Moore about this position. Commissioner Satterfield informed Dr. Moore that since he met with him, some things have come to light from a revenue standpoint and that could be bearing on the motion tonight. Commissioner Satterfield stated that when the Board grants salary increases to some employees and turns down others, this sets a bad precedence for morale among County employees. Commissioner Satterfield added that he felt that the Board needs to be more careful in granting salary increases during the budget year and if any increases are approved, they should be looked at during the budget meetings. Commissioner Satterfield noted that Dr. Moore did include this salary increase in the budget as of July 1, but was told to come back at a later date to request the funds. Commissioner Satterfield stated that the County Manager was aware of this salary increase and that the funds were approved in the budget and at his request Dr. Moore delayed making his request.

Upon a vote of the motion, the motion carried by a vote of four to three with Commissioners Battle, Carter, and Satterfield voting no.

REQUEST FROM RECREATION DEPARTMENT

Ms. Ashley Williams, Recreation Director, came before the Board to request funds to purchase two pitching mounds. Ms. Williams stated that the Recreation Department has a need for two new portable pitching mounds to use during baseball season and tournament play. Ms. Williams informed the Board that the current mounds have been left out in the rain and snow, are torn, and not useable for the upcoming 2009 baseball season. Ms. Williams stated that they are not able to build a mound from clay on the field due to the fact that adult softball and youth softball are played on the same fields.

Ms. Williams provided pictures of the current mounds and included pictures of the proposed mounds which are more durable and would withstand the extra amount of play. Ms. Williams stated that the total cost for both mounds would be \$1,614.00.

Upon questioning from Commissioner Satterfield as to whether there are funds in the Recreation Department to pay for these mounds, Ms. Williams answered that she did not have the funds in her budget to pay for them.

Upon questioning from Commissioner Satterfield regarding pay rates, Ms. Williams answered that she has implemented a new pay scale for scorekeepers and umpires and it is on a per game basis rather than per hour as it was before. Commissioner Satterfield questioned the use of volunteers and how active the Recreation Foundation is, and Ms. Williams noted that the Recreation Foundation recently spent \$3,000 to upgrade their concession stand.

Chairman Jefferies questioned whether dirt could be hauled in and Ms. Williams answered that it could, but it would need to be removed in July and she would need a tractor and front-end loader to remove it. Chairman Jefferies noted that the County owns a front-end loader.

After a discussion of allowing Ms. Williams to purchase the new mounds and then pay for them with gate proceeds that would be received in the future, Commissioner Hall noted that this is not an appropriate way of budgeting.

Chairman Jefferies informed Ms. Williams that this is a critical time and until funds are available to purchase the new mounds, the Recreation Department will need to haul dirt in for the mounds.

Upon questioning from Commissioner Battle as to whether the dirt that will be used for the mounds will suffice as far as regulations for play, Ms. Williams answered that as long as the dirt is clay and holds together, it will be fine. Ms. Williams added that if she can get the equipment, she felt that she could get the clay at no cost.

Chairman Jefferies directed Ms. Williams to work with the County Manager in getting the dirt and equipment for the mounds.

TAX DIRECTOR'S MONTHLY REPORT

Mr. Thomas Bernard, Tax Director, came before the Board and reported that he submitted a list of 1,574 names of delinquent taxpayers that were printed in The Caswell Messenger, but as of this afternoon there are 1,484 taxpayers that have not paid their taxes. Mr. Bernard noted that some of these accounts are in bank attachments and garnishments, and he has been unsuccessful with some accounts as far as receiving payments, locating place of employment, or identifying their banking institution. Mr. Bernard requested permission to proceed with discretion on these accounts.

Commissioner Satterfield stated that he would like to see the list of delinquent taxpayers and the action that has been taken by the Tax Director to collect these taxes before it is turned over to the Attorney for foreclosure proceedings. Commissioner Satterfield noted that in December, 2008, the Tax Director and County Manager were directed to provide the Board of Commissioners with a 10-year spreadsheet showing taxes collected. Mr. Bernard stated that he would have this information to the Board by its March 16th meeting.

Commissioner Hall asked Mr. Bernard if any of the 1,484 delinquent accounts include any of the taxpayers from last year's list. Mr. Bernard answered that he would need to run a report to determine this and would provide this information to the Board by its March 16th meeting.

Commissioner Hall noted that Mr. Bernard has requested permission to move forward with discretion and asked him to define discretion. Mr. Bernard answered that he would like to move forward with the accounts that are not in the foreclosure process already, but the ones that they have tried to bank attach, garnish, identify place of employment, sent delinquent notices and they have not made any attempt to make any payments or contacted the Tax Office to pay the taxes by the end of June.

After further discussion, Commissioner Hall moved, seconded by Commissioner Travis that the Tax Director provide the Board of Commissioners with a specific list identifying out of the 1,484 delinquent accounts, how many are for last year or prior years; and provide a list of delinquent

accounts that are for an amount less than \$100, with this information being provided to the Board before submitting the list of delinquent accounts to the Attorney and proceeding with the foreclosure process.

Upon questioning from Commissioner Satterfield for clarification, Commissioner Hall stated that of the 1,484 delinquent accounts, the County needs to focus its resources on the larger accounts and the Tax Office staff should focus on collecting the accounts under \$100. Commissioner Satterfield added that if the County is going to try to collect delinquent taxes, it should try to collect from everyone, not just target the larger accounts. Commissioner Hall stated that he is not suggesting that the County not try to collect from all taxpayers, but the County should focus on where the dollars are, because the Attorney and Tax Director will not have the time to try to collect 1,448 accounts and added that all of the processes, including the In-rem process need to be utilized. Commissioner Satterfield stated that delinquent tax accounts should go to the Attorney as a last resort, and after all other methods of collection by the Tax Director have been exhausted.

Upon a vote of the motion, the motion carried by a vote of four to three with Commissioners Carter, Satterfield, and Ward voting no.

Mr. Bernard reported that Mr. Thomas Pattillo came to his office sometime before the end of February. Mr. Bernard added that Mr. Pattillo has two tracts of land that are already in land use, but he did not come in to the Tax Office to apply for this during the required month of January. Mr. Bernard informed the Board that Mr. Pattillo came in last year and said that someone in the Tax Office told him to come back in February of this year to apply for the land use exemption. Mr. Bernard noted that everyone in his office knows that January is the month to apply for the land use application. Mr. Bernard informed the Board that he cannot approve Mr. Pattillo's land use application if it is not applied for in January and he told Mr. Pattillo that he would come before the Board of Commissioners to request approval of his land use application for his 44.92 acre tract of land. Mr. Bernard recommended that the Board approve Mr. Pattillo's farm use application.

Commissioner Travis stated that Mr. Pattillo has talked to him and informed him that he has been trying to apply for farm use for this parcel of land for two years. Commissioner Travis added that Mr. Pattillo was told by Tax Office staff to come in February and apply for farm use. Commissioner Travis stated that this matter should have already been resolved because Mr. Pattillo has been trying for two years to apply for the farm use application.

After further discussion, Commissioner Travis moved, seconded by Chairman Jefferies to grant approval of Mr. Thomas Pattillo's request for farm use valuation on his 44.92 acre tract of land.

Commissioner Hall stated that based on what he is hearing, the appropriate action to take would be to grant Mr. Patillo's request, but added that he would like to hear the request come from the citizen. Commissioner Hall stated that there appears to be a breakdown in communication, training, or someone not telling the truth.

Upon questioning from Commissioner Ward as to why this parcel of land is not already classified as land use when Mr. Pattillo has other property that has been so designated, Mr. Bernard answered that the designation is not automatic, that a citizen has to apply for each parcel.

Commissioner Battle stated that he did not have a problem with granting the land use classification to Mr. Patillo, but he did have a problem with Mr. Bernard coming to the Board asking for approval of the land use application, when there are citizens who owe taxes for two and three years back and that seems to be fine. Commissioner Battle added that the Board needs to hold everyone to the same standards. Commissioner Battle noted that he asked Mr. Bernard at the Board Retreat if he had Operating Procedures for his office and was told that he did not, that they operated by word of mouth and in this situation with the land use request, that word of mouth failed. Mr. Bernard stated that his Operating Procedure is set by State Statute. Commissioner Battle added that he understood this, but policies can be added.

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

ALAMANCE-CASWELL-ROCKINGHAM LME

Chairman Jefferies reported that he recently attended the Alamance-Caswell-Rockingham LME Board of Directors meeting and learned that Rockingham County Board of Commissioners had made an unexpected decision to withdraw from the Alamance-Caswell-Rockingham Local Management Entity and join CenterPoint LME. Chairman Jefferies stated that the ACR Management Team is in the process of developing a plan to continue services to the remaining 168,000 citizens of Alamance and Caswell Counties that will be affected by this change. Chairman Jefferies added that they would be requesting an immediate waiver from the North Carolina Department of Health and Human Services as to the 200,000 LME minimum population so that the ACR LME may provide all LME functions in Alamance and Caswell Counties for the period of twelve months effective July 1, 2009. Chairman Jefferies noted that as soon as the waiver is in place, the LME will renegotiate the PMPM so that operations can be sustained through the next fiscal year.

Chairman Jefferies stated that it is being proposed to place Alamance and Caswell Counties with Durham County and the LME is very much opposed to this. Chairman Jefferies added that Mr. Dan Hahn, ACR LME Executive Director, has asked the Alamance and Caswell County Board of Commissioners to send a letter to the NC Department of Health and Human Services expressing the Board's opposition to being placed with Durham County because Alamance and Caswell Counties would be better served in providing services to its citizens by remaining as they are currently. Chairman Jefferies stated that the LME is very concerned about the quality of services provided to its citizens and that this service not be disrupted as they seek out and establish a relationship with new partners.

Commissioner Hall informed the Board that the North Carolina General Statutes require that each LME area consist of at least 200,000 people, so when Rockingham County pulled out, it essentially dissolved the LME. Commissioner Hall stated that there are several functions that the LME performs, one of which is Utilization Management, which tracks the clients to make sure

that they get the treatments that they need and they approve it. Commissioner Hall added that the State has already divided the state into four sections and they are Durham, Charlotte/Mecklenburg, the western area, and eastern area, and this will affect Alamance and Caswell Counties, effective July 1, 2009.

After further discussion, Commissioner Ward moved, seconded by Commissioner Hall to authorize the Chairman to sign a letter to the North Carolina Department of Health and Human Services requesting a waiver of the 200,000 Local Management Entity minimum population so that the ACR LME may provide all LME functions in Alamance and Caswell Counties for the period of twelve months, effective July 1, 2009, as presented. The motion carried unanimously.

BUDGET AMENDMENT NO. 19

Mr. Kevin Howard, County Manager, presented and reviewed Budget Amendment No. 19 for Fiscal Year 2008-2009. Mr. Howard reported that sales tax revenues are received about 45 days after the month they are collected and he did not see any major declines in sales tax revenues until January 15th when the County received the revenues from November, 2008. Mr. Howard stated that the County received \$123,660.33 less than what was received in November, 2007, and the major reduction was in Article 44 which is affected by the changes in Medicaid. Mr. Howard added that if revenues continue as they have the last two months the County will see a \$650,000 shortage in all sales tax revenues. Mr. Howard stated that the proposed Budget Amendment would move \$334,346 from various departments to the Contingency line item. Mr. Howard noted that if expenses continue in the current trend the County will realize additional savings in Medicaid and various department salary line items.

Commissioner Ward stated to the County Manager that he would like a breakdown of where revenues were over budgeted, a breakdown of how critical this can get, how much was wrong when the Board adopted the budget, and how much is projected on sales tax projections. Commissioner Ward added that if the \$600,000 shortfall in sales tax revenues is an error on the part of the County, it is fortunate that it was caught early enough that \$334,346 could be moved from various departments to avoid taking funds from Fund Balance. Mr. Howard added that he felt confident that the County would be able to make up loss of revenues.

Mr. Howard stated that he felt the effect of this shortfall will be minimal on the Fiscal Year 2009-2010 Budget because as part of the Medicaid arrangement with the State of North Carolina the County will be giving up \$719,575 in Sales Tax Revenues and \$982,080 for Medicaid expenses. Mr. Howard added that he did not foresee any problems in next year's budget.

Commissioner Hall read an excerpt from a Legislative Bulletin dated March 5, 2009, in which it stated that a bill was signed by two legislators that would divert the ADM Fund monies for the next biennium and part of the lottery monies. Commissioner Hall stated that no one knows what will happen within the next month or two, so he did not think anyone should feel too confident about what could or could not happen.

Commissioner Satterfield asked what was the amount that was budgeted for Article 44 – Unrestricted Funds for the Fiscal Year 2007-2008 and Ms. Gwen Vaughn, Finance Officer,

answered that the amount budgeted was \$800,000. Commissioner Satterfield then asked Ms. Vaughn the amount that was budgeted for Article 44 – Unrestricted Funds for the Fiscal Year 2008-2009 and Ms. Vaughn answered that the amount budgeted was \$719,000. Commissioner Satterfield noted that there was not much difference in the amounts budgeted for the two years, yet shared with the Board a letter dated March 27, 2008 from the North Carolina State Treasurer sent to Finance Officers and possibly County Managers. Commissioner Satterfield added that in the letter Finance Officers were told that beginning with the second quarter of this year the County would lose 50% of its Article 44 Sales Tax, and questioned why would a budget have been adopted with sales tax revenues projected basically the same as last year in light of the letter received from the State Treasurer's Department when the County knew in March that the State would take half of the revenues. Mr. Howard answered that in error they looked at total sales tax revenues and reduced that amount instead of just Article 44. Commissioner Satterfield stated that someone needs to be sharing with the Board the memorandums that are sent to the County from the State Treasurer's Office.

Commissioner Satterfield stated that he also has a problem with the Financial Reports because when he reviewed the December, 31, 2008 Revenues Report, it lists the amount in Article 39 as \$248,000 and when he reviewed the January, 2009 Report, it lists the amount in Article 39 as \$242,000. Commissioner Satterfield added that in reviewing Article 40 Revenue Funds, the amount listed in December, 2008 is \$392,000 and the amount listed in January, 2009 is \$375,000. Commissioner Satterfield continued with Article 44 Revenue Funds and noted that the amount listed in December, 2008 is \$258,000 and the amount listed in January, 2009 is \$203,000. Commissioner Satterfield questioned the reason for this. Ms. Gwen Vaughn, Finance Officer, answered that she had mentioned previously to the Board in a meeting that she had not made adjustments due to the auditors making their reversals at the end of the year. Ms. Vaughn stated that when the auditors send her the reversals after all of the audit is complete, everything is finalized and in January the auditor sends her adjusting journal entries. Ms. Vaughn noted that the Year 2007-2008 contained two months of the prior year and added that May and June sales tax is received in July and August. Ms. Vaughn stated that in August, 2009 the amounts will be recouped. Ms. Vaughn added that she does not do any journal entries until the auditor gives them to her.

Upon questioning from Commissioner Satterfield as to when the auditors completed the audit, Ms. Vaughn answered that they were finished in November and gave her the journal entries in December and January. Commissioner Satterfield stated that 60 days is a long time to wait for journal entries.

Commissioner Satterfield stated that at the end of January the County was at 39% of its revenues and asked Ms. Vaughn at what percentage should the County be at this time of year. Ms. Vaughn answered that at the end of January the County should be at 58% of its revenues.

Commissioner Hall stated that having been in the budget process for the last ten or twelve years, he wanted to note that the staff did not set the revenue budget, rather it was the Board of Commissioners. Commissioner Hall added that he felt that the Board had all information available and noted that they were aware of several changes that were coming down last year. Commissioner Hall stated that he talked about the sales tax changes and added that the

Legislature has been making changes constantly every quarter. Commissioner Hall added that he did not think it was appropriate to attack staff on budget issues, it is the Board of Commissioners' responsibility because it refused to raise taxes last year and made a decision to budget revenues at the level it budgeted so it would not have to take any other action. Commissioner Hall added that those kinds of questions should be addressed to the Chairman, not staff.

Upon questioning from Commissioner Satterfield as to whether the Board was aware that there was going to be a 50% reduction in sales tax, Commissioner Hall answered that the Board was aware of this and that the formula was changing. Commissioner Hall stated that he did not know whether all the Board members absorbed this information, but as a Board member himself he was aware of it.

Commissioner Ward stated that if the Board was not given the right budget revenue projections, there is no way that the Board members knew that they were wrong in the budget book. Commissioner Ward added that if they, as a Board, are going to calculate the revenue lines and do the math, then the seven Board members are going to have to do the entire budget from start to finish. Commissioner Ward stated that if they were given a revenue line that did not show the fifty percent reduction after the first quarter, then something is wrong.

After further discussion, Chairman Jefferies moved, seconded by Commissioner Carter to schedule a special meeting in order for the entire Board to review and evaluate the County's total budget by line item with the County Manager and Finance Officer.

Upon questioning from Commissioner Satterfield as to the amount the County will fall short in sales tax, Mr. Howard answered that the County would be short by \$700,000. Commissioner Satterfield stated that the County Manager has identified approximately half of this amount by departmental cuts, but added that he would like the County Manager to present the Board with information at its special meeting as to from where the remainder will come.

Commissioner Hall stated that the County Manager and/or Finance Officer should talk to Schools' officials and its Finance Officer to make sure that they know that if the School system has any ADM funds committed, or commits it and writes contracts that it cannot cover, then it will come back to the Board of Commissioners.

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

(The Board held a brief recess).

Commissioner Ward moved, seconded by Commissioner Travis to approve Budget Amendment No. 19 for Fiscal Year 2008-2009 as presented. The motion carried unanimously.

BUDGET AMENDMENT NO. 20

Mr. Kevin B. Howard, County Manager, presented and reviewed Budget Amendment No. 20 for Fiscal Year 2008-2009. After discussion, Chairman Jefferies moved, seconded by

Commissioner Satterfield to approve Budget Amendment No. 20 as presented. The motion carried unanimously.

DISCUSSION OF REGULAR BOARD MEETING LOCATION

Chairman Jefferies continued discussion from the Board's last meeting regarding the location of its regular meetings.

After discussion, Commissioner Travis moved, seconded by Commissioner Battle that the Board of Commissioners continue to hold its regular meetings at the Historic Courthouse. The motion failed by a vote of four to three with Commissioners Jefferies, Carter, Satterfield, and Ward voting no.

Commissioner Satterfield moved, seconded by Commissioner Ward that the Board of Commissioners hold its regular meetings at the New Courthouse located at 139 East Church Street, Yanceyville, NC on a two month trial basis and designate the New Courthouse as the Board of Commissioners' official meeting place, effective April 6, 2009. The motion carried by a vote of four to three with Commissioners Battle, Hall, and Travis voting no.

DISCUSSION OF BOARD SUBCOMMITTEES

There was discussion of whether to continue with Board Subcommittees. Commissioner Carter moved, seconded by Commissioner Hall that Board Subcommittees remain intact. The motion carried by a vote of six to one with Commissioner Satterfield voting no.

COUNTY MANAGER'S REPORT

Mr. Kevin B. Howard, County Manager, updated the Board on the status of the New Senior Center and added that Senior Services should be able to move in within the next couple of weeks. Upon questioning from Commissioner Hall as to whether a Certificate of Occupancy has been issued for the New Senior Center, Mr. Howard answered that it has not been issued. It was noted that the penalty being paid by the contractor for not meeting the completion date is \$300 per day as of February 17, 2009.

Mr. Howard reported that the vehicle that was approved for purchase by the Board for the Senior Center has been sold and provided an updated list of vehicles for sale. After discussion, Commissioner Carter moved, seconded by Commissioner Hall to authorize the County Manager to purchase a vehicle for the Senior Center at a cost of \$10,000 or under, at his discretion. The motion carried unanimously. Commissioner Hall stated that he has changed his view on the purchase of this vehicle because these are difficult times, the country is in a recession, and what he had hoped could be done is not possible.

The Board discussed the 2009-2010 Budget Development Calendar. Chairman Jefferies stated that he would like to have the 2009-2010 budget basically finalized by the end of May. Mr. Howard reported that he would be presenting the proposed budget to the Board at its May 4th

meeting. The Board agreed to meet with department heads concerning their budget on Monday, May 11, 2009, at 8:30 a.m. at the Historic Courthouse.

Mr. Howard provided information on Medicaid Relief/Hold-Harmless ADM Funds.

Mr. Howard reported that the Board of Education has received a grant from the Golden Leaf Foundation for funding towards building a welding shop for the High School. Mr. Howard stated that the Board of Education plans to build this welding shop with Golden Leaf Funds, Medicaid Hold-Harmless Funds held by the Board of Commissioners for the Board of Education, and with lottery and/or ADM Funds. Mr. Howard presented a request by the Board of Education to use ADM funds in the amount of \$116,785.87 to assist with the building of this welding shop. Mr. Howard noted that the Board of Education has to approve use of ADM funds and then the Board of Commissioners approves the use. Commissioner Hall stated that the Board of Commissioners needs to know if the Board of Education commits ADM funds. After considerable discussion, the Board agreed to have the Board of Education come to its next meeting and present a formal request for the ADM Funds.

Mr. Howard reported that Medicare and Medicaid reimbursement rates have been finalized by the federal government and presented Proposed EMS Fee Changes for CY 2009, as submitted by the EMS Director. After review and discussion, Commissioner Carter moved, seconded by Commissioner Satterfield to approve the Proposed EMS Fee Changes for Calendar Year 2009 as presented. The motion carried unanimously.

Mr. Howard presented two Professional Services Contracts for the Cooperative Extension Service to be utilized for its Annual Volunteer Banquet. After discussion, Commissioner Ward moved, seconded by Commissioner Hall to approve the Professional Services Contracts for the Cooperative Extension Service at a total cost of \$1,200, as presented. The motion carried unanimously.

Mr. Howard presented a Professional Services Contract from Mr. Eugene Volk for semi-annual maintenance of the Historic Courthouse tower clock at an annual cost of \$1,000. Commissioner Hall moved, seconded by Commissioner Satterfield to approve the Professional Services Contract with Mr. Eugene Volk for maintenance of the Historic Courthouse tower clock at an annual cost of \$1,000. The motion carried unanimously.

Mr. Howard provided the Board with three bids that he received to operate the County Water System. Mr. Howard reported that the low bid was submitted by Commissioner Carter to provide all services requested at an annual cost of \$9,600. Mr. Michael Ferrell, County Attorney informed the Board that due to the small size of the County, the Board of Commissioners may contract with one of its members to provide services, but that member cannot participate in the debate or vote on the issue. After discussion, Commissioner Satterfield moved, seconded by Commissioner Ward that the County enter into a contract with Mr. Bill Carter as County Water Systems Operator at an annual cost of \$9,600. The motion carried unanimously with Commissioner Carter abstaining.

Mr. Howard reported that Ms. Michelle Love has formed her own company as a broker and is requesting that she be considered as insurance broker for Caswell County.

CLOSED SESSION

Commissioner Ward moved, seconded by Commissioner Battle that the Board enter into closed session to preserve the Attorney/Client privilege (NCGS 143-318.11(a)(3)). The motion carried unanimously.

REGULAR SESSION

Commissioner Carter moved, seconded by Chairman Jefferies to resume regular session. The motion carried unanimously.

RECREATION DEPARTMENT

Commissioner Battle moved, seconded by Commissioner Travis that the County deny the payment of invoices dating back to the year 2006, submitted by All Star Sports for equipment purchased by the Recreation Department. The motion carried unanimously.

CLOSED SESSION

Commissioner Travis moved, seconded by Commissioner Battle that the Board enter into closed session to consider the competence, terms of appointment, and performance of an individual public officer (NCGS 143-318.11(a)(6)). The motion carried unanimously.

REGULAR SESSION

Commissioner Travis moved, seconded by Commissioner Ward to resume regular session. The motion carried unanimously.

ANNOUNCEMENTS

Commissioner Hall reported that he received the following letter from a citizen and requested that it be made part of the public record:

To Whom It May Concern

Re: Hall of Excellence

I read with interest about the committee established by the Cherokee District Boy Scouts. A few questions/comments:

Who gave permission for this committee to be established? Were the Caswell County Board of Commissioners involved?

Why are there no people of “color” on the committee? Do we not have boy scouts of color?

Why will the plaques hang in the Welcome Center? Who has control of this center to give this approval?

Carl Willis is worthy of the honor as the plaque resembles the one he received from the Register/Bee Hall of Fame. There was a time when the media stated that he was from Danville – not Caswell County. Was he present for the presentation? I read nothing about the event.

How long has the committee been established? (first of my knowledge). Are nominations accepted? Some clarifications need to be shared with the citizens of Caswell County as it appears that a few select people were hand picked to make the decisions.

Of the eight women to be honored January 29, one is not a native of Caswell County, nor does she live in Caswell County – Siomara Balmori.

Why are these individuals present for the picture? - Danna Medlin, Ronald Walker, Gary Carroll, Kodell Loftis.

Caswell County Citizen. . . .

Commissioner Hall stated that he would like to have this matter looked into and a response brought back to the Board.

Commissioner Carter questioned the status of a report that female inmates at the County Jail are having to sit on the floor and eat. Chairman Jefferies reported that in discussions with the Sheriff, it was determined that female inmates do at times have to sit and eat on the bed.

Mr. Michael Ferrell, County Attorney, reported that there is a class action suit against Ford Motor Company for its ambulance chassis. The Board agreed to pursue participating in this class action suit.

Commissioner Hall expressed his concern that County governmental offices were closed all day on the prior Monday due to the inclement weather, when offices could have been open by 12:00 noon. Commissioner Hall noted that this is a policy issue.

Commissioner Satterfield noted that the County Maintenance staff could not have had time on Monday to clear the parking facilities and sidewalks in order for County employees and the public to utilize them safely by noon.

Commissioner Travis reported that he is receiving a considerable number of calls from citizens in Prospect Hill concerning the solid waste convenience center site.

RECESS

At 10:10 p.m. Commissioner Carter moved, seconded by Commissioner Travis to recess until Tuesday, March 10, 2009, at 5:30 p.m. The motion carried unanimously.

Wanda P. Smith
Clerk to the Board

Jeremiah Jefferies
Chairman
