

MINUTES – FEBRUARY 7, 2011

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 7, 2011. Members present: Nathaniel Hall, Chairman, Kenneth D. Travis, Vice-Chairman, William E. Carter, Jeremiah Jefferies and Gordon G. Satterfield. Absent: Erik D. Battle and Cathy W. Lucas. Also present: Kevin B. Howard, County Manager, Brian Ferrell, Interim 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.

Chairman Hall stated “It is with deep sorrow that we have learned of the passing of Commissioner Lucas’ father, Mr. Phileman Walker. Please join me in a memorial moment of silence please.

APPROVAL OF AGENDA

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

APPROVAL OF CONSENT AGENDA

Commissioner Jefferies moved, seconded by Commissioner Travis to approve the Consent Agenda as presented taking out Item B. The motion carried unanimously.

The following item was included on the Consent Agenda:

- A) Approval of Minutes of January 15, 2011 Special Meeting
- C) Financial Report – July 1, 2010 – December 31, 2010

PUBLIC COMMENTS

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

“My name is John Claggett, I reside at 108 Jaye Lane, Providence, NC and I again thank the Board for giving me the opportunity to speak publicly.

On Thursday, January 20th I had the occasion to observe a representative of our Sheriff’s Department exhibit an unprofessional demeanor while speaking to a local business owner. After

some brief conversation regarding the state of affairs in the county the business owner asked this Deputy's opinion of a new jail.

The Deputy immediately launched into what I'll call a sales campaign by stating "Cathy Lucas and Claggett don't know what they're talking about". At that point it became fairly obvious that this individual didn't recognize me, even though our paths had crossed earlier. Anything that I reference regarding county issues comes straight from meeting minutes so that statement applies to all of you by proxy.

He stated that the Sheriff said to fix the jail would cost \$4 million but for only \$3 more million we could have a new jail. I'm sure you can do the math. The county has since furnished me with the cost estimates totaling less than \$700,000 for repairs. It remains unresolved whether it's the Deputy or the Sheriff who is being untruthful. The Deputy went on to explain that the main problems with the current jail are being unable to adequately fix the plumbing and electric wiring where they penetrate the 2' steel and concrete walls. I'm sure the Board realizes contractors had to overcome the 53" granite block foundation in this very building. The copies of the cost estimates I just referred to for the jail project provided by Security Detention Equipment, Inc. out of Rocky Mount, VA and B & B Plumbing from right here in Yanceyville both delineated solutions.

He continued with stating that the cells could be opened by the inmates. If this is true, then I would think that the state would have noted that during their inspections, which I've read. But remember, it's been alleged that myself and Commissioner Lucas don't know what we're talking about. He went on to say that he suggested to the Sheriff to place an ad in the Messenger explaining all of this and was told by the Sheriff that it wasn't his place to inform the public of the conditions of the jail. It was the Board's place to do that. Next he explained that due to cutbacks the state was thinking about changing the way they housed their misdemeanor criminals and if the state did that and farmed them out, the jail could pay itself. The operative words are "if" and "could". So does the county consider what the state might do, as a viable means of paying down debt? In contrast the Sheriff previously referenced to the Board housing federal inmates at a per diem rate of \$46.

I've saved the best for last. This Deputy had the audacity to say that Commissioner Lucas had the opportunity to meet with the Sheriff and the Jail Inspector but failed to show. I asked her point blank if this was true and her answer was no. I believe that. I would think the Deputy knows the jail gets inspected twice per year by the state, and would know that Commissioner Lucas wasn't on the Board during the last inspection and the next inspection hasn't yet been conducted. I, as well as the business owner was totally taken back by this either misinformed or deceitful member of the Sheriff's Department. Perhaps he was parroting the words of his supervisors.

The Caswell County Sheriff's Office mission statement contains the words "integrity" and "professional" neither of which were displayed on January 20th. I really don't believe the taxpayers are opposed to renovating the jail but they've never seen the cost estimates I referenced earlier. We urge you to reassess the need for new construction and look at a

renovation option instead. What us taxpayers are opposed to, are those from the Sheriff's Department pouring water down our backs while trying to convince us it's raining."

Mr. Otis Johnson came before the Board and made following statement:

"My name is Otis Johnson. I live on the County Home Road on a private road. I got a permit in March to build a carport on the edge of my garage because every time it would rain the water would flood my garage. I told my wife I was going to do something about that. I got me a building permit and I got a man to build it. That was in March. In September I got a letter from the County Planner and the inspector stating I would have to tear it down because it was over the intrusion of the road. It is a private road. I was not aware that there was a setback where you cannot build close to the road. It is not in the road. It is close to the road. What it boils down to is there is plenty of room. A guy has property down below me. I am the last house on that road. There is plenty of room to get by there. They said I had to tear it down. I am requesting a waiver to keep from tearing my carport down. I put nine thousand (\$9,000.00) dollars in it. I was unaware. I have been there for twenty-seven (27) years. I did not know that you could not build close to a private road. One time I asked the state about putting gravels on it and they told me they could not do it because it was a private road. I have been keeping it up. I have been putting gravels on it and having it scraped. I paid Calvin Johnson four hundred and some dollars to scrape it with his bulldozer. Now they are saying I have to tear it down. I am requesting a waiver."

Chairman Hall asked "Mr. Johnson, who have you spoken to specifically about this?" Mr. Johnson replied "I spoke with Mr. Woodrow the building inspector. I spoke with Mr. Howard the county manager."

Commissioner Carter stated "Mr. Johnson you said that the building inspections office issued you a building permit." Mr. Johnson replied "Yes, he issued me a building permit and then he came down and inspected it."

Commissioner Jefferies stated "Mr. Johnson you said this road has been there for twenty some years. It is not a state road right?" Mr. Johnson replied "No, it is not." Commissioner Jefferies continued "It is a private road. You just built close to your property line right?" Mr. Johnson acknowledged his question. Commissioner Jefferies asked "The building inspections office did give you a permit right?" Mr. Johnson responded "Yes, the permit is number 13865."

Commissioner Satterfield asked "Mr. Johnson did anyone come and look at it when you laid off the foundation? Is it a pole barn or what?" Mr. Johnson responded "It is a pole barn. No one came down." Commissioner Satterfield continued "No one came down to look at anything until you were finished?" Mr. Johnson responded "They had not put the top on it. He came down just before I put the top on it." Commissioner Satterfield asked "Did anyone say anything to you at that time?" Mr. Johnson responded "No, sir."

Commissioner Travis asked "Did the building inspector know what type of building you were going to build and where you were going to build it?" Mr. Johnson responded "I don't know

whether they did or not. I don't know." Commissioner Jefferies asked "You said they did come down there right?" Mr. Johnson responded "They did come down there."

Commissioner Satterfield asked "Does he need to go before the Planning Board for a variance Mr. Chairman?" Chairman Hall stated "What I am going to suggest first and foremost is that we get a complete report from our county manager on exactly what happened. The questions that everyone raised are legitimate questions that need to be answered. I would like to see those answers in writing before we move forward. What I would suggest, also is since this was not an agenda item, it was brought to us as public comment, is we get this report and have it on the agenda for the next meeting. Does that work for you Mr. Johnson?" Mr. Johnson acknowledged it would. Chairman Hall continued "Mr. County Manager if you would make sure that the questions that the other commissioners asked are answered and have it on the agenda for the next meeting."

Mr. Howard asked Mr. Johnson "Did Woodrow have a copy of your plat?" Mr. Johnson responded "No. I had it surveyed but he did not ask for it. All he told me before I had it surveyed was I needed to survey it." Mr. Howard stated "I would like to get a copy of that survey if I could." Chairman Hall stated "If you would Mr. County manager, get his number and the two of you get together and talk about what you need or what you think you need. Mr. Johnson we will have this on the agenda for the next meeting."

Chairman Hall asked if there were any others who would like to speak at this time. Chairman Hall closed Public Comments.

AUDIT REPORT

Mr. Jim Winston with Winston, Williams, Creech, Evans & Co., L.L.P came before the Board to present the Fiscal year 2009-2010 audit.

Mr. Winston stated "Good evening. I appreciate the opportunity to come here and to perform your audit. I enjoy working with Gwen and her staff and Kevin and his staff. When I get ready for one of these presentation I have to sit back a little bit since I have been involved in the details to get a feel of where we came out. I would like to say considering the environment we have been in, the economic environment we have been in; I think the county had a very good year. You will see that as we go through these numbers. These are some tough times but I think management and the Board has made some good decisions that enabled us, in spite of where we are, to grow our Fund Balance which is a great thing. Caswell County has received an unqualified opinion on their June 30, 2010 financial statement. I know you guys that have been on the Board have heard me say this is the only kind of opinion you will get in North Carolina without a problem. That means we found everything in order and we did not run into any problems."

Mr. Winston highlighted the following:

- Statement of Net Assets – Governmental Activities

	<u>2009</u>	<u>2010</u>
Total Assets	\$ 22,865,434	\$ 23,423,739
Total Liabilities	<u>6,205,723</u>	<u>5,514,536</u>

Net Assets	\$ 16,659,711	\$ 17,909,203
• Statement of Net Assets – Business-Type Activities		
	<u>2009</u>	<u>2010</u>
Total Assets	\$ 1,751,050	\$ 1,821,018
Total Liabilities	<u>81,471</u>	<u>82,972</u>
Net Assets	\$ 1,669,579	\$ 1,738,046
• Statement of Net Assets – Primary Government		
	<u>2009</u>	<u>2010</u>
Total Assets	\$ 24,616,484	\$ 25,244,757
Total Liabilities	<u>6,287,194</u>	<u>5,597,508</u>
Net Assets	\$ 18,329,290	\$ 19,647,249
• Statement of Activities – Governmental Activities		
	<u>2009</u>	<u>2010</u>
Revenues	\$ 23,585,267	\$ 23,219,332
Expenditures	<u>22,719,512</u>	<u>21,969,840</u>
Change in Net Assets	\$ 865,755	\$ 1,249,492
Restatement	178,633	
Beginning Net Assets	<u>15,615,323</u>	<u>16,659,711</u>
Ending Net Assets	\$ 16,659,711	\$ 17,909,203
• Statement of Activities – Business-Type Activities		
	<u>2009</u>	<u>2010</u>
Revenues	\$ 1,271,772	\$ 1,252,458
Expenditures	<u>1,209,307</u>	<u>1,183,991</u>
Change in Net Assets	\$ 62,465	\$ 68,467
Beginning Net Assets	<u>1,607,114</u>	<u>1,669,579</u>
Ending Net Assets	\$ 1,669,579	\$ 1,738,046
• Statement of Activities – Total Primary Government		
	<u>2009</u>	<u>2010</u>
Revenues	\$ 24,857,039	\$ 24,471,790
Expenditures	<u>23,928,819</u>	<u>23,153,831</u>
Change in Net Assets	\$ 928,220	\$ 1,317,959
Restatement	178,633	-
Beginning Net Assets	<u>17,222,437</u>	<u>18,329,290</u>
Ending Net Assets	\$ 18,329,290	\$ 19,647,249
• Government Fund Revenues		
• Government Fund Expenditures		
• Proprietary Funds		
• Fund Balance – All Governmental Funds		
• Fund Balance – Other Governmental Funds		
• Fund Balance – General Fund		
• Unreserved Fund Balance – as a % of Expenditures		
• Cash		
• General Fund Revenues		
• General Fund Expenditures		
• Appropriated Fund Balance		
• Adjusted Tax Levy		
• Tax Collection Percentages		
• Governmental Fund Debt		

Mr. Winston stated “That is all I have that I wanted to go over. We appreciate the opportunity to come up here and do your audit. As you go into your budget process I would be a little conservative based on where the state budget is right now. I don’t know how they are going to fix it. Someone in Raleigh is going to have to make some tough decisions. As you prepare your budget be cautious of that. I will be glad to answer any questions you may have or if you have questions later you can shoot me an email and I will be glad to answer those questions for you.”

Commissioner Satterfield stated “I have one. If you will back up just a minute to General Fund Revenues and Expenditures and explain that a little bit better to me. How we started off with the original budget, final budget and what you ended up actual.” Mr. Winston responded “When you sat down and started your original budget in which you adopted in May or June of last year. You had to start out with that budget. As we go along through the year we made some budget amendments that changed that budget. You may come up with a project you may want to do that was not originally budgeted to do and in order to appropriate that money you have to make a budget amendment. We are kind of anticipating where we think this thing is going to go when you do your budget. A budget is kind of a fluid thing, I see some places change them every month and they do a budget amendment every month. I am not sure if ya’ll have one every month or not but that is what changes that original budget to the final budget. Then we just compare it at the end of June. We go in there and say here is where you ended up. So June is kind of a once a year snapshot of where we are and where we end up. The budget only gets changed if you guys change it.” Commissioner Satterfield told Mr. Winston that he would email him some more questions.

Chairman Hall stated “What I think would help is if your staff had an opportunity to say what were some of the things we did that increased that budget.” Commissioner Satterfield stated “Twenty million five nineteen to twenty-two million nine seventy-nine that is three million dollars.” Mr. Winston responded “I will have to go back and look at the budget numbers to tell you.” Commissioner Satterfield stated “I would like to see a little bit closer where that three million came from.” Mr. Winston stated “That is real easy. I can do that for you. I don’t have it with me tonight. I probably will not go into all the little bitty details but I will tell you what the big things were that increased that budget. Gwen can probably tell you some of them right now.”

Gwen Vaughn, Finance Director, stated that the budget amendments are for funding throughout the year. The budget was adopted in June. There was a lot of the Senior Center funding we did not budget for. The County also may have had changes in the state and federal funding for DSS and Health.

Commissioner Satterfield stated “I would just like to see the number.” Mr. Winston responded “I understand. You may get a grant that you may not have anticipated and you have to do a budget amendment for it to spend the money. Just email me if you need anything else. This is just a snapshot of what is in our report. I do think the county did a good job last year. You managed it well in the economy that we are in. I give the Board and management here credit for that. These are difficult times we are in right now.”

Commissioner Carter stated "I would like to say thank you. I like seeing a positive report instead of a negative report." Mr. Winston responded "It would not be fun to present a negative one I can tell you that. Thank you guys."

PLANS FOR DETENTION CENTER

Ms. Rebecca Geraghty with Brennan and Associates came before the Board to present the proposed plans for the detention center.

Ms. Geraghty stated "My name is Rebecca Geraghty. I was just here about a month and a half ago, just before Christmas. I am going to give you a status update. We are now ready for the final design presentation. I am going to show you where we are at. All of our consultants sent up their final drawings today. We are assembling it for when it is ready to go out for bids. This is basically to show you what we have done, where we are at and asking for permission to advertise for bid to see what this project is going to come in at."

Ms. Geraghty presented the Board with the proposed plans for the Detention Center. They are also proposing to create a secondary entrance. The first story of the detention center will be below grade. She stated that the parking may need to be upgraded. On the second level there will be a bridge to escort people who are waiting for their trial to the courtroom. The magistrate's office will be near the booking and intake area. The Center will house 108 beds: 12 dormitory and 96 double bunk cells. There will be no extras in the cells like desks, etc. North Carolina does not require this. The building will be full of cameras. There will be two holding cells for people waiting for court. There were some modifications made to the plans. A safe cell was added. The kitchen was rearranged and some storage space was added.

Commissioner Satterfield stated "Ms. Geraghty I notice in visiting Pamlico on the far right hand side if I remember correctly going back where the cell blocks are at, there was a great big area back there that was just straight up to the ceiling. We are not going to do that are we?" Ms. Geraghty responded no, a floor has been put there. It will be all useable storage space. A small office has also been added to that area. This area will be for storage primarily.

Commissioner Carter stated "You talked about you have a bridge going from the jail to the courtroom." Ms. Geraghty responded that there is an allowance in the budget for putting the bridge in. This will have to be done later so they can determine where the courtroom will be in conjunction with the new jail. They have identified a set of windows that they can bring inmates in between the jury box and the gallery. Structurally this will take a little more time.

Commissioner Carter stated "You said you had a space for the magistrate's office." Ms. Geraghty responded the Magistrate's office is a pretty large room. Commissioner Carter asked "Do we have an area for first court appearance." Ms. Geraghty responded that there is not courtroom in this space. Mr. Howard stated "He meant video arraignment." Ms. Geraghty responded that video arraignment could be done in this facility.

Chairman Hall stated "Before we move forward, even though this is not a public hearing, do any of the citizens have any questions for the architect?"

BUDGET AMENDMENT NO. 3

Chairman Hall asked “Are there any questions for the county manager or the finance officer on budget amendment number three?”

Commissioner Carter moved, seconded by Commissioner Jefferies to approve Budget Amendment #3. The motion carried unanimously.

APPOINTMENTS TO BOARDS AND COMMISSIONS

Chairman Hall stated “We have the Board of Health and the Kerr-Tar Workforce Development Board. The Board of Health we have two vacancies and three applicants.”

Commissioner Jefferies moved, seconded by Commissioner Carter to nominate Ms. Keisha King and Ms. Margaret Cobb to the Board of Health. The motion carried unanimously.

Chairman Hall stated “For the Kerr-Tar Workforce Development Board we have two vacancies and two applicants.”

Commissioner Carter moved, seconded by Commissioner Jefferies to re-appoint Mr. Charles E. Dix and Ms. Mindy Satterfield to the Kerr-Tar Workforce Development Board. The motion carried unanimously.

CONSTRUCTION MANAGEMENT

Mr. Howard stated “You have a memo in front of you. With the research I have done I feel comfortable with Brennan & Associates.”

Commissioner Satterfield asked “Mr. Howard is this something that needs to be done now or is this something that can be done at a later date? What kind of a commitment are we making with this management if in fact we collect the bids and the bids come in higher than we expected and we reject the bids? Are you obligated in any way monetarily to this construction management or not?”

Mr. Ferrell responded that the way the contract is set up the county is liable for a percentage of the projected project cost.

Ms. Geraghty stated that she would have to check into this. They have it set up in a two phase service. “I cannot speak to the contract you have in your hand. How we usually set it up is we have a preconstruction services CM fee and construction services CM fee for that very question. During preconstruction, I believe the CM fee has already been rolled into the architecture contract for preconstruction. We do all the estimating and all the constructability reviews. We look at the logistics of laying out your site. That is preconstruction. The second part of that fee is after the bids have been awarded. That is the second side of the CM fee.”

Mr. Ferrell stated that that was consistent with the agreement. He added that the county is already paying for a certain amount of the construction management fee. Ms. Geraghty stated "That is in the construction contract if you are doing the project. Mr. Ferrell added the county would pay 2 ½% of projected cost of the construction phase. Ms. Geraghty added "If you don't go forward with the project you don't owe us the CM fees for the fourteen or eighteen months that your project is being built. It is preconstruction and construction.

Chairman Hall stated "Let me go back to Commissioner Satterfield's question. The construction phase which is at the 2 ½% projected. That projection I assume will be based upon the bids that come in." Ms. Geraghty stated "I am not sure about that. There are some contracts that we have that are based on the final estimates and there are some that are based on the bids as they come in. I don't know what the language is in this contract. We have it both ways."

County Attorney Ferrell stated the 2 1/2% is of the projected cost of the work. Ms. Geraghty stated "It will be a fixed fee at the final estimate." Commissioner Satterfield asked "Do you mean at what construction comes in at or what the bid comes in at?" Ms. Geraghty stated "If it is based on projected cost that means that I tell you that the projected cost for construction is \$7.6 million dollars. So at that time for our final estimate it says it will be 2 ½% of that projected cost. From that projected cost we fix the fee. We break it into every month for the amount of months the construction is supposed to take and it does not go up or down with any change orders or if the bids come in high it does raise and if the bids come in low it does not lower. It is a fixed fee that can be budgeted around. It is in our best interest then to work entirely within that fixed fee. All of the change orders that general contractors would have a percentage increase. If a change order came in for an additional one hundred thousand they would tack on a fee for that change order. It is within our best interest to not have change orders. We have to fix it at a certain fee."

Chairman Hall asked "Is that the contract we have already signed Mr. Attorney?" Mr. Ferrell responded that this is right. It is part of the addendum to add this option. The county has the option to add the construction management services to their contract. It is already built in for approval. Chairman Hall stated "I understand. I think I got it. What I am having a problem with now is based upon what I am reading around the area and the current climate of construction if we come in one million dollars under your best projection which could happen and we would still pay the same fee. I am having a little problem with that. I would like to talk with our county attorney and county manager to see if we can get that fee based upon the bids coming in." Ms. Geraghty stated "I do not have the authority to change the contract but I am here to explain it." Chairman Hall stated "I appreciate the explanation and I understand that we have to talk with someone else." Ms. Geraghty stated "We can have Jim Brennan or Amanda Carter to catch up with Kevin and see about that but I don't think it would be a problem. I don't have the authority to talk."

Commissioner Satterfield stated "I would like to make a motion that we table this until the next meeting to give our attorney and manager an opportunity to talk with Mr. Brennan and his staff and find out exactly what we are talking about here and see how much room we have with negotiations. I don't like the idea of a fixed amount up front and the bids come in like Chairman Hall said. I think it needs to be tied more to the bid. I don't know the projected cost, I have

heard a figure and I have seen it in the paper eight million dollars. I certainly hope it will be a lot less than that.” Attorney Ferrell stated that there is not a number right now. Commissioner Satterfield stated “I am not going to vote without a number.”

Chairman Hall stated “I was raising those questions to make sure it was clear first in my mind and to the other Board members after you raised that question. Then to Ms. Geraghty so she will know how to communicate back to her principals so we could all talk on the same level. Ms. Geraghty stated “I just want to encourage you if we want to move it forward construction costs are going up. If you are looking at those numbers they are going up. We would like to get bids out for bid in the best interests of the County as soon as we can. The summer months are coming and that is when construction picks up and that is when people are not as hungry. We can’t move forward without knowing that information. There is a significant difference between preparing your project manual for a single prime bidder or the multi primes we would do as CMs.”

Chairman Hall stated “We will ask Kevin to contact your office tomorrow to set up the appropriate appointments and discussions and then we will act.” Mr. Geraghty responded “I am sorry I could not give you more answers but it is not my name on the door.” Chairman Hall added “Time is moving. Let’s get this as soon as we can. While the motion was to table it to the next meeting, we have not set the date of the next meeting, we have the next standard meeting, if we need to move I think we need to move.” Ms. Geraghty stated “We will need about three to four weeks to prepare all the documents. We were planning on advertising this Sunday a while ago when we thought CM was going to be decided or not. That will push us off that amount of time. We just have to schedule with the LGC. The LGC schedule is really the most aggressive because you have to apply thirty days in advance of your meeting date. We have to have all the numbers in for that. I appreciate your time. I will get with you tomorrow.”

AMBULANCE FINANCING

Mr. Howard stated that several months ago the Board had approved the purchase of a new ambulance. He has been working with the USDA Rural Development on an application for the ambulance. The USDA’s budget has not been adopted yet this year. Mr. Howard asked the Board if they wanted to wait on the USDA or to seek private financing or to borrow the money from the solid waste fund. Mr. Howard provided the Board with financing quotes and options he had received.

Commissioner Satterfield stated “Mr. Manager, it is about seventeen thousand (\$17,000.00) dollars difference with the grant. Have the people with the USDA told you whether or not they feel like this fifteen percent grant is going to be available?” Mr. Howard responded the County meets the criteria. There are no guarantees the money will be available. Commissioner Satterfield asked “Will that new cycle start the first of March?” Mr. Howard responded he assumed it would be around the first of March.

Chairman Hall stated “Probably what is going to happen Mr. Satterfield since we do not have a budget when they start discussing it they will probably approve one in April or May for this year and that will cut out all the spending that we did not do and all that the agencies did not do.

What I would like for us to do is to get as much specific information we can on alternative funding. It does not have to be anything long or elaborate but get the details on how we can finance this ourselves. If this is something we need to do we don't need to drag it out. We will start planning for next year but we need to get through this year and make sure we are comfortable with this year before we start planning the budget for next year." Mr. Howard stated that there were some rates on the back side of the memo. He also noted that the positive thing about the ambulance contract was the county would not have to wait on the delivery.

Commissioner Satterfield asked "What do they estimate as the delivery date?" Mr. Howard responded around the first of March to the middle of March. Commissioner Satterfield added "We are going to have to make a decision at least by the first meeting in March aren't we Mr. Chairman?" Chairman Hall responded "I would think so."

ALAMANCE/CASWELL LME

Mr. Howard stated that it was his understanding that the LME had voted to enter into negotiations with PBH. He also stated that the Board needed to set a public hearing date.

Chairman Hall asked "Is everyone clear on what the county manager is talking about here? Any questions or thoughts?"

Chairman Hall stated "I have gotten a couple of letters so I know there is some interest out there. I am not sure which way this interest is leaning but I think it would be helpful for us to go forward with the public hearing and give the opportunity for folks to come in and push it one way or the other and say what is on their minds."

Commissioner Jefferies stated "We will have an option to go. We will have done what we were supposed to do. I went to the open house and I talked to a lady. We have six million dollars in the treasury of LME and five million in retirement. We are not talking about a whole lot of money. I am not sure that PBH will take us. The Board voted to unanimously go with PBH. I am not sure that PBH will merge with us. I am not going to object to anything you just said but we have five million in retirement that will have to come out of that. I wanted to throw that out at you."

Commissioner Carter moved, seconded by Commissioner Satterfield to set a public hearing on February 21, 2011 to discuss the withdrawal from the Alamance/Caswell LME. The motion carried unanimously.

COUNTY MANAGER'S REPORT

School ADM and Lottery Funds

Chairman Hall stated "This information is to start us thinking and we would ask our attorney to kick in if he has some thoughts."

Mr. Howard stated that over that last couple of years the state's budget has been so tight that they have been taking away the new revenues. The state may take the existing fund balances to help to close the state budget gap. Other counties have used these funds to pay bond payments. One of the ways the county could spend this money would be to cover any remaining debt service on schools bonds for this fiscal year. The county has been using the sales tax money to make bond payments in the past. The ADM funds require a fifty percent (50%) local match and the lottery funds do not require a match. Mr. Howard stated that he had talked with Dr. Barker about using these funds and Dr. Barker had agreed to look at this and to present it to the school board with a written request from the county. The county has approximately \$1.17 million in lottery funds and \$1.7 million in ADM funds.

Chairman Hall stated "What has happened over the last year or two, I think, some of our monies have been diverted before it even gets to us. Some are thinking that more will be diverted. In Raleigh they are starting to talk about it if they cannot divert enough to take what we have. This past week I read an article where the legislature is already looking at taking money from the government. The government has three or four trust funds that they are going to take. If they can take that money from the government you can best believe they will go in our pockets."

Mr. Howard stated that he had received an email from the Department of Commerce asking about economic development projects that the county needed to get on the books now because the legislature may be taking the funds to balance the budget.

Chairman Hall stated "I don't think that will work. Once they start looking at dollars they are not going to let them spend anything. My thinking, when I was talking to Kevin about this, is we have dollars in the ADM and lottery fund and working in conjunction with the school board we can do certain things. We may not be able to protect them but we can get them out of harm's way from someone else taking them. I do believe a lot of these dollars will be taken. They are not looking at Caswell specifically they are looking at the bigger funds. Some counties may have twenty, thirty, or forty millions dollars in their funds. If they go in and say they are going to take twenty-five or thirty percent and that is probably the way they will start off."

Commissioner Satterfield stated "When I read this Mr. Chairman, I asked the manager or maybe you know the answer and maybe you don't yet Mr. Manager if the lottery dollars could be used as the matching money for the ADM?" Mr. Howard stated he did not know the answer to that. Commissioner Satterfield asked "Could you check on that to see if that is a possibility? If that is the case we can use the lottery money to draw the ADM money."

Chairman Hall stated "The idea is we need to look at everything we can as soon as quick as we can to preserve our few dollars." Commissioner Satterfield asked "Has this been discussed with the Board of Education?" Mr. Howard responded that he had talked to Dr. Barker and that he needed a formal letter from the commissioners.

Chairman Hall stated "As we go through these discussions, at the end of discussion, my request would be the Board to approve a formal letter going to the school board asking and giving them as much explanation, I think Kevin has talked to Dr. Barker enough that he can explain it, but we need to know in case we talk to school board members. We are not trying to take any of their

dollars. We are trying to protect them for the county. What we can do then is to entertain a motion for the county manager to submit a formal request to the school board or to Dr. Barker to allow us to use some of these dollars to pay at least this year's bond payment."

Commissioner Satterfield asked "Can we put it in there Mr. Chairman to kind of bring this thing to a discussion between the School Board and the Board of Commissioners in regards to lottery and ADM money. Word the letter where it becomes a discussion rather than them feeling like it is a request we want them to do that." Chairman Hall responded "In fact, we can ask them for a meeting to discuss this. We just need to do it quickly. When I say quickly, the long session started two weeks ago and they plan to be out by June. The schedule is to have a budget by June 1." Attorney Ferrell stated that they have already started drafting. Chairman Hall continued "We need to get this letter out to meet with the School Board quickly.

Mr. Howard stated that he had received a letter from a Boy Scout troop that wanted to camp out in the courthouse. This has not been done before and he wanted to make sure the Board did not have a problem with this. The Boy Scouts want to stay either on the courthouse grounds or in the courthouse itself.

Chairman Hall asked "Does anyone have a problem with the Boy Scouts camping out?" Commissioner Satterfield asked "Outside?" Mr. Howard responded either one, outside or inside. Attorney Ferrell stated he would like to have something in writing like a license agreement. Chairman Hall stated "Thank you Mr. Attorney I think that is a good idea."

Commissioner Travis stated "I am not sure it is a good idea for them to camp outside or not. At least not out front." Commissioner Carter stated "Maybe beside the fire department."

Chairman Hall stated "Since there are no major objections we will let our attorney draft a license agreement and then we can work out the details. We will have time to talk about it later since this just came to our attention."

Broadband Update

Mr. Howard stated that there will be a Broadband update on February 28th in Winston-Salem. Mr. Howard plans to attend.

Chairman Hall asked "Do we know what the status of the internet broadband lines proposed through Golden Leaf dollars through the northern part of the county is?" Mr. Howard responded he had not received that information as of yet. They were supposed to start in the eastern part of the state and go west. Chairman Hall stated "I think it would be helpful and informative for us to know the status of where they are. At the minimum North Carolina ought to know. Why would we be talking about something else, I am glad you brought that up. The legislature is talking about taking Golden Leaf money which is tied to grants. If that line is being proposed and if they have started on it we would probably want to know and there is no need for us studying any other lines until we find out what is going to happen there. Then we will probably only need the last mile money to come through Yanceyville. I guess it is good that this was brought up at this

meeting and we can find out who plans to go but I would like to know what is the status of what is already planned.”

Consent Agenda

Chairman Hall stated he would like to go back to Item B of the Consent Agenda and he had the Clerk to explain the changes to the January 18, 2011 minutes. Ms. Seamster stated that Brian Ferrell had been listed as the Interim County Manager and should be listed as the Interim County Attorney and that commemorate had been misspelled on the last page. There were some other typos that had to be corrected.

Commissioner Satterfield moved, seconded by Commissioner Jefferies to approve Item B of the Consent Agenda as corrected. The motion carried unanimously.

ANNOUNCEMENTS

Ms. Seamster gave the arrangements for Mr. Phileman Walker’s funeral. The Funeral will be held at Bethel United Methodist Church on Tuesday, February 8, 2011 at 2:00. After the service there will be graveside rights across the road at the church’s cemetery. The family will have visitation in the church following the graveside rights service.

CLOSED SESSION

Commissioner Carter moved, seconded by Commissioner Travis that the Board enter into Closed Session to preserve the Attorney/Client privilege (NCGS 143-318.11(a)(3)), and to discuss potential economic development projects (NCGS 143-318.11(a)(4)). The motion carried unanimously.

REGULAR SESSION

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

Chairman Hall stated that the Clerk had typed the Rules of Procedures with the attorney’s recommendations as discussed in a previous meeting for the commissioners and that they were included in their packets.

Commissioner Satterfield stated that at the last meeting there were items that were brought up. He would like to have a way to have those items addressed. He also asked if he could get a copy of the response tonight. He asked if these items could be summarized and put in the agenda.

Chairman Hall stated that he had asked the Clerk to keep a list of items that needed to be addressed so that the Board could stay on top of things.

Commissioner Carter stated that Wally Ewalt had brought to his attention that the plaque for veterans on the square had still not been done. Mr. Ewalt is still waiting on a decision. This plaque is in honor of the veterans of Caswell County.

Commissioner Carter asked if the EMS was short any help since the over time was \$4298.00. Mr. Howard responded that some of the overtime was built into the schedule and some was for the part time people.

Mr. Howard gave the following information as a follow up to the questions that was asked at the January 18th Board of Commissioners meeting.

- The compactor at Sam's #2 was installed on January 6th. They are still working out the bugs but it has been installed.
- Recycling Bins – All sites are scheduled to be checked twice a week. The site operators are supposed to call when they are full. All sites except for 86 Convenient Mart are taken empty containers to be switched out. Since 86 is so close to the landfill they pick that one up and dump at the landfill and take it back. It is usually gone for about 30 minutes. This container can be done the same way as the others if needed. Chairman Hall stated that a notice needed to be posted to inform the citizens of this information. Chairman Hall asked about the newspaper bin that was full. Mr. Howard responded that Tim Smith stated that a lot of the time one side is full but the other side is empty. Chairman Hall stated a notice needed to be put up with this information as well.
- Site maintenance is done on a regular basis. The weather has been bad this winter and they have gotten behind. Commissioner Satterfield stated that this occurs all year round. Mr. Howard stated they have talked about doing the maintenance in house. Commissioner Travis asked if the Maintenance Department had the equipment needed to do this. Mr. Howard stated that the county could either buy the equipment or hire someone to do the maintenance. Commissioner Travis added that Maintenance could not haul rock.

Chairman Hall stated that he wanted to see some closure. He wanted the County Manager and Tim to put a solid recommendation together.

Commissioner Travis stated that at the Prospect Hill center there is not enough room to make the turn. The turn is too short and it causes people to dig holes. He stated that he has received telephone calls and he does not know how to eliminate it. Chairman Hall stated that those were the kind of things that were supposed to be looked at before entering into a contract. Commissioner Travis added the new one on Cherry Grove Road is not like it should be. Commissioner Carter stated it should have a circle drive.

Commissioner Hall stated that the county should have someone look at these sites ahead of time. He did not think a person should have to wait on another person to empty their trash. He felt the county should have a policy in place before we accept the bids.

Commissioner Jefferies stated that this has been an extremely wet year. He had not heard of this in the past.

- The audit RFPs were mailed out last Friday, February 4, 2011. They should be back by March 11th.

Commissioner Carter asked if the Board would have a special meeting on the jail. Mr. Hall stated that he would have to get back with him on that.

ADJOURNMENT

At 9:00 p.m. Commissioner Carter moved, seconded by Commissioner Travis to adjourn the meeting. The motion carried unanimously.

Paula P. Seamster
Clerk to the Board

Nathaniel Hall
Chairman
