

**BRUNSWICK COUNTY BOARD OF COMMISSIONERS
OFFICIAL MINUTES
BUDGET WORKSHOP
JUNE 15, 2011
1:00 P.M.**

The Brunswick County Board of Commissioners met in Regular Session on the above date at 6:00 p.m., Commissioners' Chambers, David R. Sandifer Administration Building, County Government Center, Bolivia, North Carolina.

PRESENT: Commissioner Phil Norris, Vice-Chairman
 Commissioner J. Marty Cooke
 Commissioner Charles Warren
 Commissioner Scott Phillips
 Commissioner William Sue, Chairman

STAFF: Marty K. Lawing, County Manager
 Steve Stone, Assistant County Manager
 Huey Marshall, County Attorney
 Debby Gore, Clerk to the Board
 Ann Hardy, Fiscal Operations Director

I. CALL TO ORDER

Chairman Sue called the Workshop to order at 1:00 p.m.
(Attached to these Minutes is an item called Board Action containing all items on this agenda and those items are incorporated herein.)

II. REVIEW OF MAY 2011 PRELIMINARY FINANCIAL REPORT

Ann Hardy, Fiscal Operations Director, provided handouts and reviewed the May 2011 Preliminary Report:

General Fund

Presented on the Brunswick County Government website is a schedule of revenues and expenditures-budget and actual for the General Fund for the period ended 5/31/11 on the cash basis with comparative actual amounts for the period ended 5/31/10.

Total revenues for the General Fund at 5/31/11 are \$139.5 million compared to \$140.9 million at 5/31/10 for a decrease of \$1.4 million or 1.0%. Total revenues collected are currently 94.9% of the budget for the fiscal year.

Total expenditures for the General Fund at 5/31/11 are \$132.6 million compared to \$135.1 million at 5/31/10 for a decrease of \$2.5 million or 1.8%. Total expenditures are currently 86.3% of the budget for the fiscal year.

Total fiscal year-to-date revenues are greater than total expenditures by \$6.9 million at 5/31/11 compared to \$5.9 million at 5/31/10 for an improvement of \$1.0 million.

Total fiscal year-to-date revenues are greater than total expenditures and net transfers to other funds by \$8.3 million at 5/31/11 compared to 5.3 million at 5/31/10 for an improvement of \$3.0 million.

Water Fund

Presented on the Brunswick County Government website is a schedule of revenues and expenditures-budget and actual and changes in fund balance for the Water Fund for the period ended 5/31/11 on the cash basis with comparative actual amounts for the period ended 5/31/10.

Total revenues for the Water Fund at 5/31/11 are \$17.4 million compared to \$16.0 million at 5/31/10 for an increase of \$1.4 million or 8.6%. Total revenues are currently 94.4 % of the budget for the fiscal year.

Total expenditures for the Water Fund at 5/31/11 are \$13.4 million compared to \$16.4 million at 5/31/10 for a decrease of \$3.0 million or 17.8%. The decrease is attributable to the acquisition of the Boiling Spring Lakes water system in FY 10. Expenditures are currently 76.8% of the budget for the fiscal year.

Wastewater Fund

Presented on the Brunswick County Government website is a schedule of revenues and expenditures-budget and actual for the Wastewater Fund for the period ended 5/31/11 on the cash basis with comparative actual amounts for the period ended 5/31/10.

Total revenues for the Wastewater Fund at 5/31/11 are \$15.8 million compared to \$10.8 million at 5/31/10 for an increase of \$5.0 million or 46.4%. The increase is mainly attributable to the prior year debt reimbursement paid by Oak Island in FY 11. Total revenues are currently 102.3% of the budget for the fiscal year.

Total expenditures for the Wastewater Fund at 5/31/11 are \$13.9 million compared to \$13.0 million at 5/31/10 for an increase of \$0.9 or 6.9%. Total expenditures are currently 89.7% of the amended budget for the fiscal year.

Key Indicators of Revenues and Expenditures

Presented on the Brunswick County Government website are charts with actual history, current month actual amounts and annual budget information for major revenues and expenditures in both the enterprise and general funds.

Cash and Investments

A Summary of Cash and Investments is presented on the Brunswick County Government website as of 5/31/11 reports that the County had \$121.6 million of unrestricted cash and investments in all funds including those accruing for outside agencies that the county performs collections plus \$24.5 million of capital project restricted cash from debt proceeds. All cash and investments are earning an average yield of 0.38%.

Article 39 for April (June receipt) was \$364,267 which is down 35% over the \$559,235 from last year. At this point in the year, we have collected a total of \$4,759,331 and the same time last year we had collected \$5,239,728 which is \$480,396 or 9% less this year than last.

Article 40 for April (June receipt) was \$389,645 which is up 11% over the \$352,020 from last year. At this point in the year, we have collected a total of \$3,744,865 and the same time last year we had collected \$3,592,844 which is \$152,021 or 4% more this year than last.

Article 42 for April (June receipt) was \$283,405 which is down 21% over the \$357,385 from last year. At this point in the year, we have collected a total of \$3,275,421 and the same time last year we had collected \$3,115,656 which is \$159,765 or 5% more this year than last.

For all articles combined, we have collected \$11,779,618. At the same time last year, we had collected a combined \$11,948,228 making us down in total \$168,610 or 1.4%. If the annual percentages are applied to the each of the articles for the next 2 months, we may end the year as follows:

Article 39 amended budget \$5,800,335 with projected collections of \$5,663,685

Article 40 amended budget of \$4,448,191 with projected collections of \$4,511,948

Article 42 amended budget of \$4,022,233 with projected collections of \$3,979,843

Total amended budget all articles \$14,270,759 with total revised projected collections of \$14,155,477 for a negative budget variance of \$115,282 or 0.8%

Staff recommended a combined budget of \$14,301,747 in FY 12 which is \$146,370 or 1% higher than the projection for this year.

The Board received the various unaudited and interim financial reports as information. No action was taken.

III. FY 2011-2012 GOALS/MAJOR FOCUS AREAS

Marty Lawing, County Manager, reviewed the Long and Short Term Goals and Major Focus Areas. Commissioner Warren made inquiries regarding improving transportation for citizens to travel to Social Services, medical appointments and other places. There was discussion that Brunswick Transit System became a non-profit organization in order to receive grant funding and they don't have enough funding to utilize all of the vehicles. Trips are grouped together and they cannot provide individual service. It was consensus to receive more information from Brunswick Transit System.

The Manager indicated the need to rewrite the Personnel Manual and to improve the county's health ranking from 46th in the state.

IV. SOUTHPORT SEWER TRANSMISSION FACILITIES AGREEMENT REVIEW

John Nichols, Utility Operations Assistant Director, indicated that the City of Southport is reviewing this proposed agreement and updates will be given to the Board when received.

V. SOUTH BRUNSWICK HIGH/MIDDLE SCHOOL SEWER EASEMENT AGREEMENT

Mr. Nichols presented a power point presentation and reviewed the proposed South Brunswick High/Middle School Sewer Easement Agreement.

Jerry Pierce, Utility Operations Director, presented a handout informing that a large amount of water is being used for irrigation especially during the peak hours of 3:00 a.m. and 9:00 a.m. Water usage is averaging 5 million more gallons than this time last year. Mr. Pierce provided a copy of a Public Notice declaring a Stage 1 Water Conservation Alert.

VI. ALLEYFIELD ROAD WATER MAIN PROJECT

Marty Lawing, County Manager, provided a map of the 8 properties requesting service on Alleyfield Road and explained the associated costs of the proposed project.

There was discussion regarding that there is a need for water service in this area but other areas have been waiting for years to receive water service. Mr. Marshall indicated that the county has a Priority Notebook with requests for water service. Mr. Lawing stated that all those projects had

been completed. Staff indicated that there had not been a request from this particular area before the recent Randolphville Road project. It was consensus that water projects should continue in the order they were received.

VII. CAPE FEAR RESOURCE CONSERVATION AND DEVELOPMENT FUNDING

Steve Stone, Assistant County Manager, informed that staff had received inquiries from Cape Fear Resource Conservation and Development (CFRC&D) indicating that they lost all Federal funding and want to be an ongoing operation with plans to generate on a fee for service project to cover costs above and beyond county appropriation. Mr. Stone reviewed Pender (\$9,000), Columbus (\$9,000) and Bladen (\$9,000) contributions. New Hanover has not responded. It was consensus to stay with the recommended appropriation.

VIII. FIRE DEPARTMENT SUPPLEMENTAL FUNDING

Commissioner Phillips spoke on behalf of Winnabow Fire Department, indicating that their budget is sufficient with their Fire Fees and moved to remove the FY 2011-2012 Additional County Assistance in the amount of (\$9,000) and move that money to the Contingency Allocation. The vote of approval was unanimous.

IX. SMITHVILLE TOWNSHIP TAX RATE

Mr. Lawing and Ms. Hardy reviewed a request from Edgar Haywood, President/ CEO of Doshier Memorial Hospital speaking in behalf of the Hospital's Board of Trustees, medical/professional staff and citizens residing in the primary service area to return the Smithville Township Tax rate to \$.04 per \$100 for hospital improvements/maintenance and continue amortization of existing limited obligation bond debt.

Discussion referred to letters of support from citizens in and outside the primary service area, Resolutions of Support from the City of Southport, Town of Oak Island, Town of Caswell Beach, Village of Bald Head Island, Southport-Oak Island Chamber of Commerce, and a Resolution Requesting to Expand the Boundaries of Smithville Township to include the entire Town of St. James and the City of Boiling Spring Lakes and intervening areas within its borders from the City of Southport. Correspondence also included a Memorandum for the Record from the Town of St. James indicating that that they would not take a position one way or the other since only ten percent of the residents of St. James are in the Smithville Township. Staff also reviewed Smithville Township Estimated Tax Base and Rate Analysis as of June 13, 2011.

Vice-Chairman Norris offered some history of the Smithville Tax Rate indicating that during the time when property values went up so high, the Township agreed to lower the Tax with the caveat that if property values declined, they would ask the Board to return to the rate and he feels obligated to honor their request. Vice-Chairman Norris added that he is not a proponent of raising taxes but the sense from the community is affirmative and he had not received any calls from anyone with a negative response.

Vice-Chairman Norris moved to raise the Smithville Township Tax Rate back to the original \$.04 per \$100.

Commissioner Cooke indicated that he had received calls from quite a few individuals and only one has disagreed but has since then recanted.

Commissioner Phillips indicated that he had received some calls with a negative response but Doshier Hospital has been around a long time and people want it there even though he does not want to raise taxes, the Hospital does not receive funding from the county and they could be at risk if improvements/maintenance is not taken care of.

Commissioner Warren indicated that he had received numerous calls and now is a difficult time to raise taxes and part of his platform was not to raise taxes and the economy is worse now than the Great Depression. Commissioner Warren stated that he had received a resolution from Bald Head Island requesting the Doshier Hospital Board of Trustees and the Brunswick County Board of Commissioners consider engaging in the negotiations to expedite, merger of Brunswick Community Hospital and Doshier Hospital, a resolution from St. James stating their concerns asking the Commissioners to redraw the Township lines so that all of St. James would be within Smithville Township and the Doshier officials said that they had no intentions of doing that. Commissioner Warren stated that the Boiling Spring Lakes Mayor indicated that they do not want to be included in the Township; therefore, they do not think a tax increase is in their best interest and these are the towns that are using Doshier Hospital. After a lot of prayers, a number of calls received, and constituents paying high cost of gas, purchasing food, paying electric bills, high property taxes, a lot of times they can't pay their bills all at once and must pay some of the bills this month and some next month. Commissioner Warren stated that he knows Doshier does a fantastic job with patients but even with the census of the inpatients, most of the time it's not filled up, you'll have 8-10 or more out of the 23 beds filled, they don't have half of the beds filled and being a fiscal responsible individual, feels like they should be speaking to some other entity to come on board to help them through this process because he feels that Doshier will never become a self-sufficient hospital. Commissioner Warren stated that county employees dependent insurance is going up 8.1%, senior citizens have not received a raise in three years, employees and businesses are reducing the salary of people so it's been a bad time and I requested earlier that Doshier speak with Novant and they said they didn't have time before the meeting so my conscious will not allow me to vote for this in the affirmative.

Chairman Sue agreed that no one wants a tax increase but the citizens in Smithville Township voted in 2000 for up to \$.04 tax to pay for a current revenue bond issue and also for repairs/maintenance and equipment for the hospital and all of the elected representatives within the Smithville Township (over 30 individuals) with the exception of one, have voted in favor of resolutions to support the increase and he will yield to the wishes of over 30 people who are the elected representatives of Smithville and represent the Hospital and all 4 towns.

Chairman Sue asked for a vote to Vice-Chairman Norris's motion to raise the Smithville Township tax rate to \$.04 per \$100. The vote of approval was 4 ayes (Norris, Sue, Cooke, Phillips) 1 nay (Warren).

After discussion, the Attorney was instructed to review a copy of the Agreement and evaluate whether this amendment would be sufficient or should the county and Doshier void the entire Agreement.

X. BUDGET CHANGES/ADJUSTMENTS

Ann Hardy, Fiscal Operations Director, reviewed Staff Adjustments and Board Adjustments to the Proposed Budget, basically the same list when the budget was presented. Ms. Hardy provided a handout and explained that the Producer Price Index Rate (May) was just received which would bring the wholesale and industrial water rate to \$2.76/1000 gallon (\$.18 cent increase) and letters have been sent. Ms. Hardy noted an error on the Fire Department Budgets and this was corrected.

Commissioner Phillips moved to approve the Budget Adjustments. The vote of approval was unanimous.

XI. OTHER BUSINESS/INFORMAL DISCUSSION

Cape Fear Sentencing Program

The Manager informed that the state will no longer fund \$60,000 for an employee of the Cape Fear Sentencing Program. Columbus and Bladen County contributed \$4,500 each for this program that allows Mr. Melton to interview inmate's awaiting trial and determine if they can be placed in a treatment program for a period of 60-90 days prior to their hearing. Staff has been unable to receive a commitment from Bladen and Columbus to increase their contribution and other avenues have been explored. A bill (Senate Bill 756) that was recently passed will impact the pre-trial release program requiring a \$1,000 unsecured bond for participants in the program. This has only passed one side of the Legislature and could affect our Criminal Justice Partnership Program also. Staff recommends allowing Mr. Melton to work elsewhere in the county if such an opportunity exists.

After discussion, it was consensus to send a Resolution Opposing Senate Bill 756.

Chairman Sue moved to approve a Resolution Opposing Senate Bill 756, and drop the requirement of a \$1,000 unsecured bond for pre-trial release inmates. The vote of approval was unanimous.

RESOLUTION OPPOSING SENATE BILL 756 (2011-12)

Whereas, the custody of persons charged with crimes has always been a priority of Counties in North Carolina, as the county in which the defendant is arrested must be responsible for the defendant's welfare if the defendant is unable to make any pre-trial terms of release, and

Whereas, many pre-trial release programs have been successful in making and keeping pre-trial release conditions, some of which allow the defendants to maintain their families, their work, and other social obligations without being held in custody awaiting trial, and

Whereas, one successful program that has been operating in Brunswick County for at least eight years, and in lieu of paying sixty dollars (\$60.00) per day per defendant in custody, the County has saved an amount in excess of \$4,000,000.00 (four million dollars), and

Whereas, to add additional requirements, such as a secured one thousand dollar (\$1000.00) bond, is not serving the ends of justice and is not making the County any safer than current conditions.

Now therefore, the Brunswick County Commissioners are hereby resolved to oppose the adoption of the House version of Senate Bill 756, in that the County has been able to use existing resources and reduce costs without any impact upon public safety, and to now further complicate and unduly burden a process that is working is without merit and does not further the ends of justice.

This the 15th day of June, 2011.

s/William M. Sue, Chairman
Brunswick County Commissioners

Attest:

s/Deborah S. (Debby) Gore, NCCCC
Clerk to the Board

Mr. Marshall informed that a Dedication of a Memorial Stone for Lisa Thompson will be held on June 20, 2011 at 5:30 p.m. at the Walking Trail.

Mr. Marshall informed that he had secured the notebook with SAD criteria and county funded projects. The Board set \$100,000 for miscellaneous projects at one time. The Chairman asked Mr. Marshall to share a copy of the list with Mr. Pierce.

XII. CLOSED SESSION

The Manager informed that there was not a need for Closed Session at this time.

XIII. ADJOURN

Commissioner Phillips moved to adjourn the Regular Meeting at 2:50 p.m. The vote of approval was unanimous.

William M. Sue, Chairman

Deborah (Debby) Gore, Clerk to the Board