

September 19, 2016

The Washington County Board of Commissioners met in a recessed session on Monday, September 19, 2016 at 6:00 PM at the Commissioners' Room, 116 Adams Street, Plymouth, NC. Commissioners Johnson, Manning, Phelps, Sexton and Walker were present. Also present were County Manager Willie Mack Carawan, Clerk to the Board Julie J. Bennett, Assistant County Manager/County Attorney Curtis Potter and Finance Officer Missy Dixon.

Chair Phelps called the meeting to order.

TAX APPEAL PROCEDURES: Mr. Curtis Potter, ACM/County Attorney said he was directed at the last meeting to put together a set of procedures for when the County may issue a tax refund. Mr. Potter went over the Resolution which is incorporated by reference and hereby made a part of these minutes.

**Commissioner Johnson made a motion to approve the Resolution Adopting Procedures for Evaluating Requests for Releases or Refunds Per NCGS 105-381. Commissioner Walker seconded, motion carried unanimously.**

BACK-UP PSAP DISCUSSION: Mr. Carawan spoke to the Board regarding funding for the back-up PSAP and the Public Safety Center. Mr. Carawan said he and Ms. Keyes met with Cliff Jordan, Metal Specialties Engineer. A new building would be more cost effective. A metal structure would be cheaper and the County would have a better chance of meeting the July 1, 2017 Back-up PSAP deadline. Mr. Jordan wasn't comfortable giving any more construction suggestions, but he did provide Ms. Keyes and Mr. Carawan with the names of some potential engineering/architectural firms. Ms. Keyes said some funding could come from Emergency Management grants and she is also checking into funding from homeland security through Butterfield's office.

Commissioner Johnson asked would a metal building be sufficient. Ms. Keyes said it would have to uphold our County's wind specifications. Mr. Carawan mentioned that Tyrrell County uses a metal building for their EOC.

Chair Phelps asked Mr. Carawan about his concerns for the site at the Water Plant. Mr. Carawan said the location of the building will be determined by well sites. Mr. Tawes, Public Utilities Director said he would need to maintain one well.

Commissioner Manning asked what size building is the County looking at and at what cost. Mr. Carawan said the going rate is \$120/sq. ft. - \$150/sq. ft. so we would be looking at approximately \$1,000,000 for a building.

Chair Phelps said he would like to see this done all at one time, not in phases, so that it will be a completed project. Mr. Carawan said he would like the PSAP to be the first 'phase' to be able to meet the back-up PSAP deadline of July 1, 2017, then the rest of the Public Safety Center would fall in place.

Commissioner Sexton asked would everyone be moving from their current space.

Mr. Carawan said that Planning/Safety would stay where it is currently located and Emergency Management would move to the new building. Also, EMS could move to the new building to give EMS more space. Mr. Carawan said he plans to bring back hard numbers to the October 3 meeting.

Chair Phelps polled the Commissioners and the consensus of the Board was to move forward with the Public Safety Center being at the Water Plant.

Sheriff Barnes said he spoke to Mr. Richard Taylor of the E911 Board and Mr. Taylor said that the County should use the E911 money on the building, not something that E911 can itemize and be reimbursed for.

MOWING BID/AWNING BID UPDATES: Mr. Carawan stated the following:

- a) Bidder was not willing to reduce his \$70/acre quote.
- b) He felt the current condition of the areas warranted the price.
- c) He had concerns that after he got the properties in shape, he wouldn't get the contract for next year after all his work.
- d) Mr. Carawan said he will be working with him to get the stumps ground at the Commerce Building.
- e) A staff member suggested that the County look at offering a 2-year mowing contract in February before the contractors get tied down with other jobs.

Mr. Carawan said that County staff will continue to mow for the remainder of this year and then the County will put out to bid for a 2-year mowing contract. Commissioner Sexton said he feels the County should wait. Commissioner Johnson said to put the bids out in January. Commissioner Johnson said the County could also look at hiring a new position just to do grass. Chair Phelps said he feels that current staff should be held accountable for the portions they are required to mow currently. Discussion ensued.

Chair Phelps asked the Clerk to put this back on the January 3, 2017 agenda.

Mr. Carawan said he and Ms. Keyes met with Mr. Cliff Jordan to discuss modifying the bid specs for the awning to attract bidders. It was agreed that for durability purposes the specs should remain as they are. Mr. Jordan shared some names of potential contractors who do this type of work and Mr. Carawan said he will be reaching out to them.

Chair Phelps asked the Clerk to put this back on the October 3, 2016 agenda.

STRATEGIC PLAN: Chair Phelps said he would like the plan put into a written format rather than the tables that we currently have. Mr. Carawan said he could ask Mr. Padrick to see if he would add it to his proposal. Mr. Carawan asked would Chair Phelps want it to be a narrative to give more background on the tables. Chair Phelps said he feels what we currently have looks like a 'to-do' list rather than a plan where most of its items have been accomplished. Mr. Carawan said the accomplishments shouldn't be removed, but don't leave them on the 'to-do' list---put them under a heading called "Accomplishments". Chair Phelps said the County's plan should be a plan that is consistently updated...a living, breathing document. Mr. Carawan said he would get with Mr. Padrick to see if he could work a narrative of the County's current working document into his document that he presented to the Board. Mr. Potter said that the County's previous plan was an Economic Development plan and it may not be in the scope of

Mr. Padrick's work. Commissioner Johnson said she will ask the Albemarle Commission for assistance in creating what Chair Phelps is asking for and see if they could do it and if there would be a fee. Commissioner Sexton felt that the current document is sufficient and feels that the County made more headway with the current plan. Chair Phelps said that the Strategic Plan should drive the budget and how it is used. Discussion ensued. Mr. Carawan said he learned the phrase "Assets to Action" from a previous strategic plan meeting. There needs to be a realistic approach to putting it in a narrative form to accomplish the goals.

Chair Phelps asked the Clerk to put this back on the October 3, 2016 agenda.

COUNTY FINANCING OF COUNTY PROJECTS: Commissioner Manning said he called the County Manager after the last meeting and discussed his thoughts with the Assistant County Manager, since Mr. Carawan was out of the office, regarding how the County is going to pay for the projects discussed at the September 6 meeting. Mr. Carawan put together the following information to be discussed after Commissioner Manning's inquiry.

## Washington County Board of Commissioners September 19, 2016

Item #5 Financing of County Projects:

- a. FY '17, current General Fund Balance Appropriation is \$ 868,106.00
  - i. Current tax rate .10 cent
  
- b. As of 6/30/16 the Auditor's Preliminary "UNRESTRICTED" General Fund Balance \$ 2,750,000.00
  
- c. County Related Items:
  - i. Backup PSAP / Public Safety Center, min. cost \$ 1,000,000.00
    - 1. Discussed during Budget to finance
    - 2. Based on the LGC Information (6/2/15)
      - a. \$ 1,000,000.00
      - b. 20 year term
      - c. Annual Payment \$ 69,000.00 to \$ 77,000.00
        - i. Current tax rate - less than .01 cent
    - 3. Traditional Banking (9/12/16 – Attachment B)
      - a. \$ 1,000,000.00
        - i. 12 year term (max. 20?)
        - ii. Interest Rate 2.60%
        - iii. Annual Payment \$ 85,500.00 to 109,333.00
          - i. Current tax rate - .01 to .0125 cent
    - 4. USDA (9/14/16)
      - a. \$ 1,000,000.00
        - i. Up to 30 year term
        - ii. Current interest rate: 2.375%
    - 5. Funding Sources
      - a. NC 911 Board - \$ 344,524.00
      - b. Homeland Security Monies (Butterfield)
      - c. Outside Contribution
      - d. Tax Increase
      - e. USDA Grant - \$ 50,000.00, if applicable
  - ii. Ambulance, \$ 150,000.00
    - 1. Discussed during Budget to finance
    - 2. Traditional Banking (9/12/16 – Attachment C)
      - a. \$ 150,000.00
        - i. 5 year term
        - ii. Interest Rate 2.25%
        - iii. Annual Payment \$ 32,056.00

iii. Hospital Pension

1. Fund will be exhausted in approximately 4 years
2. Current Annual Cost \$ 240,000.00
  - a. Current Tax rate .0275 cent
3. Only 79 of the 170 participates currently drawing
4. Waiting on an option from Pension Plan Attorney
5. Funding TBD

d. Board of Education Related Items:

i. Additional \$ 110,000.00 for Pines HVAC repairs

6. The Board approved this increase at the 9/6/16 meeting, possible funding sources:
  - a. Articles 40 & 42
  - b. Lottery Funds
  - c. Sales Tax Re-distribution Monies
  - d. General Fund Balance

ii. Pines Engineering Cost

7. The Board agreed to move forward with the replacement of the PES Roof and HVAC unit
8. The BOE will be accruing engineer/architectural fees during this fiscal year, possible funding sources:
  - a. Articles 40 & 42
  - b. Lottery Funds
  - c. Sales Tax Re-distribution Monies
  - d. General Fund Balance
  - e. These fees can run anywhere between 6 to 10% of the project's cost

iii. Pines Roof & HVAC Replacement Project

9. The Board agreed to move forward with the replacement of the PES Roof and HVAC unit
10. Per the Garland / DBS, Inc. \$ 6,750,000.00, for budgeting purposes \$ 7,000,000.00. Dr. Jackson and I are beating the bushes to see if there are any grant monies available.
  - a. LGC Information (6/2/15)
    - i. \$ 7,000,000.00
      1. 20 year term
      2. Annual Payment \$ 480,000 to \$ 540,000.00
        - a. Current tax rate - .055 to .0625 cent
  - b. Traditional Banking (9/12/16 – Attachment D)
    - i. \$ 7,000,000.00
      1. 15 year term (max 20?)
      2. Interest Rate 2.75%
      3. Annual Payment \$ 659,167.00
        - a. Current tax rate - .0775 cent
  - c. USDA (9/14/16)
    - i. \$ 7,000,000.00
      1. Up to 30 year term
      2. Current interest rate: 2.375%
      3. Additional building code upgrade
  - d. Possible Funding Sources:
    - i. Articles 40 & 42
    - ii. Lottery Funds
    - iii. Sales Tax Re-distribution Monies
    - iv. Tax Increase

Mr. Carawan said that \$85,103 is generated from 1cent at the current tax rate.

Mr. Potter said that the ambulance bids will be brought to the Board at the October 3 meeting.

Mr. Carawan said that at the previous meeting the Board approved the \$110,000 for the Pines Elementary School HVAC repairs but did not say where the money to fund it would come from.

Commissioner Johnson asked how much the school gets from the Lottery funds. Mr. Carawan said approximately \$140,000.

Commissioner Sexton asked can the County ask for all the lottery funds to go to the school's roofing project.

Mr. Carawan said that during the 2 on 2 meeting the school board was not comfortable with using the funds from Articles 40 & 42 on the roofing project.

Commissioner Sexton said the roofing project needs to be discussed some more. Commissioner Sexton said he is not comfortable with what was approved at the last meeting and needs more clarification. Since the Commissioners have approved the HVAC system and roof replacement why would the County spend money on the existing HVAC system? Commissioner Manning said the Board needs to have a meeting set up with the engineer who did the roof study. Commissioner Sexton said he read the report again and he has questions for the engineer. He feels the Board jumped the gun on this decision. Commissioner Sexton said the Commissioners need to meet with the engineer. He also questioned why was a firm used from Ohio--wasn't there anyone in NC who could have done this? Commissioner Sexton said he wants the roof fixed for the kids, but feels the Board would have to raise taxes again to fund these projects.

Mr. Carawan talked about the fees for having an engineering study (architectural study) to be done. The costs are not in the school's budget nor are they in the County's.

Commissioner Sexton said he feels there is no need to spend the \$110,000 on the current HVAC repairs until the Commissioners talk to the engineer next week. Commissioner Sexton said he brought up some things during the last tour and no one could answer his questions. Hopefully, the engineer who wrote the report can shed some light on his questions.

Chair Phelps said he has heard nothing but praise for the new roof being put on the school and people are so glad that the Board is moving forward.

Mr. Potter said the Board can change the motion from the previous meeting.

Commissioner Manning said the Board toured the school about 6 months ago. During the tour, they were not shown any evidence of mold.

Commissioner Sexton said he needs more clarification from the engineer. He said he should have stood his ground at the last meeting, but didn't. Discussion ensued.

Mr. Carawan said that from the school board's view, both the air handlers and the roof are the problems that need to be fixed.

Ms. Bennett asked the Board if they will allow one of the original engineers to go on the tour with them on the Monday, September 26. He is still in the area and he called the County Manager's office to ask if he could be of assistance. The consensus of the Board was to ask him to join them on the tour. Ms. Bennett will contact him.

Commissioner Manning asked what costs would the BOE be occurring at this time that would need to be funded. Mr. Carawan said the BOE would be going out for an RFQ.

**Commissioner Sexton made a motion to reconsider the motion that was approved at the September 6 meeting regarding moving ahead with the roof of Pines Elementary School.**

Chair Phelps asked if all the Commissioners approved the motion, how can they legally change it. Mr. Potter said the Board can't bind the County.

Commissioner Johnson asked if staff could talk to Dr. Jackson and let her know that the Commissioners want to ask more questions before the BOE starts on the RFQ.

**Motion failed for lack of a second.**

**Commissioner Sexton made a motion to reconsider the motion from September 6 to appropriate \$160,000 to fix the 11 air handlers and the controls.**

**Motion failed for lack of a second.**

The Commissioner directed staff to ask Mr. Pierson (engineer) for a write up based on what is discussed during the tour. The tour is set for Monday, September, 26 at 3:30 PM at Pines Elementary School.

**URP16 PROCUREMENT, DISBURSEMENT & ASSISTANCE POLICIES:** Ms. Bennett stated that the North Carolina Finance Agency has approved a Program Grant to Washington County in the principal amount of \$100,000—URP16. Thirteen (13) households will be assisted. Applications are scheduled to be available on October 3, 2016 from the County Manager's Office.

The Procurement, Disbursement & Assistance Policies need Board approval and are incorporated by reference and hereby made a part of these minutes.

**Commissioner Johnson made a motion to approve the URP16 Procurement, Disbursement & Assistance Policies. Commissioner Walker seconded, motion carried unanimously.**

**BUDGET AMENDMENT:** Ms. Dixon went over budget amendment #2017-09 that was approved at the September 6, 2016 meeting. This amendment shows where the money is coming from for the May Dayz funding and the School Request for Capital Equipment for Chromebooks for the middle school.

**Commissioner Walker made a motion to approve the budget amendment BA #2017-09. Commissioner Manning seconded, motion carried unanimously.**

**OTHER ITEMS BY CHAIRPERSON, COMMISSIONERS, COUNTY MANAGER, ASSISTANT COUNTY MANAGER/ATTORNEY OR CLERK:**

Commissioner Johnson reminded everyone of the Unified Court System celebration on Friday, September 23 at the Courthouse beginning at 3:00 PM. Also, there is a Senior Center open house on September 23 beginning at 4:00 PM.

Mr. Carawan said he needed to let the Board know there is a slight increase in the hourly wage for the security guards for the Courthouse security.

At 7:30 PM, with no further business to discuss, **Commissioner Johnson made a motion to recess the meeting to September 26 at Pines Elementary School at 3:30 PM. Commissioner Walker seconded, motion carried unanimously.**

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D. Cole Phelps  
Chair

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Julie J. Bennett, CMC, NCCCC  
Clerk to the Board