

MINUTES

LENOIR COUNTY BOARD OF COMMISSIONERS

February 4, 2013

The Lenoir County Board of Commissioners met in open session at 9:00 a.m. on Monday, February 4, 2013 in the Board of Commissioners Main Meeting Room in the Lenoir County Courthouse at 130 S. Queen St., Kinston, NC.

Members Present: Chairman Reuben Davis, Vice-Chairman Jackie Brown, and Commissioners, Mac Daughety, Linda Rouse-Sutton, Craig Hill, Roland Best and Eric Rouse.

Members Absent: None

Also present were: Michael W. Jarman, County Manager, Tommy Hollowell, Assistant County Manager, Martha Martin, Finance Officer, Robert Griffin, County Attorney, Clevette Roberts, Interim Clerk to the Board, and members of the general public and news media.

Chairman Davis called the meeting to order at approximately 9:07 a.m. Jackie Brown offered the invocation and Mr. Davis led the audience in the pledge of allegiance.

PUBLIC INFORMATION

Jim McLain discussed the Caswell No. 1 Fire Museum with the Board. Mr. McLain stated they have placed apparatus outside on the sidewalk. The apparatus has brought more people to the museum. Mr. McLain stated they ensure that every visitor is informed about the Kinston-Lenoir Visitor & Information Center, especially if they are interested in the Civil War. Mr. McLain stated as Kinston prepares for the grand opening of the CSS Neuse Museum, it is their hope that the facility will encourage their visitors to take a stroll down Queen Street to visit the Caswell No. 1 Fire Museum. Mr. McLain stated they in turn will encourage their visitors to visit the CSS Neuse Museum. Mr. McLain stated Kinston has five free attractions within a mile or two of one another which are; the Caswell No. 1 Fire Museum, the CSS Neuse Museum, the Kinston-Lenoir Visitor & Information Center and the Neuseway Nature Park. Mr. McLain stated it is their hope that all venues will promote each of these facilities in an effort to attract more visitors to Lenoir County annually. Mr. McLain stated the Caswell No. 1 Fire Museum had a total of 444 visitors in 2012. Mr. McLain stated the Caswell No. 1 Fire Museum is open on Saturday's only. Mr. McLain stated they have had multiple visitors from various locations within the State and outside the state as well. Mr. McLain stated the museum is in need of renovation. They are concerned about the structural integrity of the building. The museum has mold issues and there is a need to provide handicap access. Mr. McLain stated they would like to know where the County stands with helping the museum financially and with manpower to begin refurbishing the museum. Mr. McLain stated they are asking the Lenoir County Board of Commissioners for guidance. Mr. McLain stated he met with Jan Barwick-Parsons, Assistance Executive Director with the Chamber of Commerce, to discuss the museum's needs.

Ms. Brown stated Ms. Barwick-Parsons can assist with the museum's renovation through the Chamber of Commerce's Tourism Grant. Mr. Jarman stated there are some in-kind services that may be provided to assist with the building's needs. Mr. McLain inquired who has liability insurance on the building? Mr. Jarman stated the County has liability insurance on the building. Mr. Jarman suggested that the Caswell No. 1 Fire Museum's needs be discussed during the budget retreat and the Board agreed. Ms. Sutton commended the Caswell No. 1 Fire Museum on a job well done.

ITEMS FROM THE CHAIRMAN/COMMISSIONERS

Mr. Davis requested the Committee Assignments be listed on the County's website (www.co.lenoir.nc.us). Mr. Davis asked Mr. Best if he would like to reside on the Committee of 100 and the East Carolina Workforce and Mr. Best accepted. Mr. Davis asked of Ms. Brown if she would like to remain on the Department of Social Services Board, the Juvenile Crime Prevention Council (JCPC), the Kinston-Lenoir County Tourism Development Board, Greene Lamp Board and remain the Liaison between the Board of Commissioners & the School Board and Ms. Brown accepted. Mr. Reuben Davis stated he will remain on the Neuse River Development Board. Mr. Davis asked Mr. Daughety if he would like to remain on the Lenoir County Transit Advisory Board, the Chairman of the Lenoir County Transportation Committee, the Highway 70 Corridor Committee & Sub-Committee, the Eastern North Carolina Rural Planning Organization (TAC) and the Planit East Steering Committee and Mr. Daughety accepted. Mr. Davis asked Mr. Hill if he would like to reside on the North Carolina's Eastern Region Board and on the Lenoir Memorial Hospital Board and Mr. Hill accepted. Mr. Davis asked Mr. Rouse if he would like to remain on the East Carolina Council, the Lenoir County Board of Health, the Emergency Services Board and Planit East and Mr. Rouse accepted. Mr. Davis asked Ms. Sutton if she would like to remain on the Greene Lamp Board, the Department of Social Services Board and remain the Liaison for Lenoir Community College and Ms. Sutton accepted. Mr. Rouse nominated Rita Hodges to be appointed on Eastpointe's Board in his place and the Board unanimously accepted the nomination. Mr. Daughety requested a list of board appointments be emailed to all commissioners. Mr. Daughety stated due to protocol with board appointments, if a commissioner is presented with discussion related to a particular board, especially if that commissioner does not reside on that particular board, please direct them to the commissioner that resides on that board.

Ms. Sutton stated she attended the Legislative Goals Conference. Ms. Sutton stated she voted against the resolution to support legislation to authorize counties the option to acquire, own and construct traditional public school sites and facilities. Ms. Sutton stated North Carolina counties are statutorily responsible for funding the construction, renovation, and maintenance of all school facilities, but schools retain title and ownership of school facilities. This divergence of funding versus ownership requires administrative work-arounds to obtain sales tax refunds on school construction materials and results in an imbalance of liabilities to assets, as county-issued school debt shows as a liability on the county's financial statement, while the building increases the LEA's assets. Mr. Griffin stated if the County owns the building, the County can receive exemptions, however, if the School Board owns the building, the School Board may not receive exemptions.

Mr. Griffin stated if the resolution is passed it will allow the School Board to receive exemptions. Ms. Sutton stated the resolution to support legislation to authorize counties the option to acquire, own and construct traditional public school sites and facilities was approved. Ms. Sutton stated legislative goals were presented to vote on all of them. Ms. Sutton stated she did oppose to some of the legislative goals presented. Ms. Sutton stated she voted in support of the top five goals. Ms. Sutton suggested that a resolution in support the top five goals be presented to the legislature. Ms. Sutton stated there was a large number of new commissioners and legislators who attended the Legislative Goals Conference. Upon a motion by Mr. Daughety and a second by Ms. Brown, with unanimous approval, the Board will provide a resolution in support of the top five goals to the legislature.

Mr. Rouse stated he would like the Board to reconsider the Gun Control Resolution. Mr. Rouse stated he would like to have the Board's input regarding forming a resolution. Mr. Davis stated there were no motions made at this time to reconsider the Gun Control Resolution.

Ms. Sutton stated Lenoir Community College has a Paramedic online course. Ms. Sutton stated a Paramedic course was given on campus and about 29 counties attended the college to take the course. Mr. Daughety stated after receiving a tour at Spirit, he said he was very pleased with all the comments he heard concerning the services Lenoir Community College provides.

ITEMS FROM THE COUNTY MANAGER

Mr. Jarman reminded the Board about the Lenoir County Public School's Legislative Agenda Dinner on Thursday, February 7, 2013, that will be held at the Woodmen of the World Community Center at 7:00 p.m.

CONSENT AGENDA: 10Min.

ACTION

3. Approval of Minutes: Regular Board Meeting: January 22, 2013 Roberts/Jarman

Upon a motion by Ms. Brown and a second by Ms. Sutton, the consent agenda was unanimously approved.

BUDGET ORDINANCES/RESOLUTIONS

Item No. 4 was a Resolution Order for Tax Collector to Advertise 2012 Taxes which are a lien on Real Property. Mr. Darrell Parrish, Tax Administrator, stated pursuant to G.S. 105-369(a), the Governing Body (Lenoir County Board of Commissioners) shall order the Tax Collector to advertise such tax liens. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 4 was unanimously approved.

Item No. 5 was a Proclamation Declaring February 1-28, 2013, as Career and Technical Education Month. Ms. Brown read the proclamation which stated; the profound economic and technological changes in our society are rapidly reflected in the structure and nature of work, thereby placing new and additional responsibilities on our educational system. Career and technical education provides Americans with a school-to-careers connection and is the backbone of a strong, well-educated workforce, which fosters productivity in business and industry and contributes to America's leadership in the international marketplace. Career and technical education gives high school students experience in practical, meaningful applications of basic skills such as reading, writing and mathematics, thus improving the quality of their education, motivating potential dropouts and giving all students leadership opportunities in their fields and in their communities. Career and technical education offers individuals lifelong opportunities to learn new skills, which provide them with career choices and potential satisfaction. The ever-increasing cooperative efforts of career and technical educators and business and industry stimulate the growth and vitality of our local economy and that of the entire nation by preparing graduates for career fields forecast to experience the largest and fastest growth in the next decade. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 5 was unanimously approved.

Item No. 6 was a Budget Ordinance Amendment: Capital Improvements Fund: Community Development: \$4,551. Mr. Bill Ellis, Recreation Department Director stated the budget amendment was to budget funds in the amount of \$4,551 to cover the cost of repairing the boiler at the Pink Hill Gymnasium. Mr. Ellis stated this was presented to the Board after Item No. 12 was presented on January 22, 2013. There was no written resolution but the Board approved the expenditure by a vote of 6 approving and 1 dissenting. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 6 was unanimously approved.

Item No. 7 was a Resolution Approving Purchase of Painting Services for the Sheriff's Office: \$11,925. Sheriff William Smith stated they are getting closer to opening the new jail. Mr. Smith stated the Sheriff's Office is located in two areas of the courthouse. The administrative section and support services are located on the first floor of the courthouse. The patrol offices and detective division are located in the basement, along with the basement jail. These offices and hallways have not been painted in many years and are in dire need of paint. Upon a motion by Ms. Brown and a second by Mr. Daughety, Item No.7 was unanimously approved.

Item No. 8A was a Resolution Approving Purchase of a 2013 Dodge Charger: \$22,854. Mr. Smith stated the Sheriff's Office is responsible for the service of civil process, criminal warrants, transporting mental patients to mental health facilities, transporting prisoners to various locations in the State, and responding to 911 calls for service. Mr. Smith stated the Sheriff provides patrol vehicles to his deputies to carry out these duties. Recently, a deputy was traveling to an emergency call and was involved in an at-fault, single vehicle accident. The Crown Victoria was a total loss and the vehicle must be replaced. Upon a motion by Ms. Sutton and a second by Mr. Best, Item No. 8A was unanimously approved.

Item No. 8B was a Budget Ordinance Amendment: Vehicle Replacement Fund: Vehicle Replacement: \$22,854: Increase. Mr. Smith stated the budget amendment was to appropriate funds to purchase a new Dodge Charger. Mr. Smith stated this vehicle will replace the 2010 Ford Crown Victoria that was involved in an accident on December 11, 2012 and was totaled by the insurance company. A check in the amount of \$7,903.50 was received from Argonaut Insurance on January 2, 2013 and will be applied toward this purchase. Upon a motion by Ms. Sutton and Ms. Brown, Item No.8B was unanimously approved.

Item No. 9 was a Budget Ordinance Amendment: DSS: Public Assistance: \$365,672: Decrease. Ms. Martha Martin, Finance Director, stated the budget amendment is due to the decreased allocation received this year. Ms. Martin stated the funds are 100% Federal and are of no cost to the County. Upon a motion by Ms. Brown and a second by Ms. Sutton, Item No. 9 was unanimously approved.

Item No. 10 was a Budget Ordinance Amendment: Various Funds Finance: \$808,832: Increase. Ms. Martin stated the budget amendment was to adjust budgeted revenue and expenditures to more accurately reflect actual revenues and expenditures. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 10 was unanimously approved.

Item No. 11 was a Resolution Authorizing Execution of an Addendum to the Sales Tax Audit Contract Dated October 18, 2004 with Tax Reduction Specialists: Sales Tax Re-allocation Audit. Mr. Tommy Hollowell, Assistant County Manager, stated Utilities Reduction Specialists, Inc., was established in 1991 in Clemmons, North Carolina, with an objective to audit telecommunication and energy bills for billing errors. Utilities Reduction Specialists, Inc., acquired Tax Reduction Specialists in 2001. Tax Reduction Specialists focuses specifically on minimizing client's tax liabilities, conducting sales tax re-allocation audits, and securing refunds. Utility Reduction Specialists, Inc., has worked with 107 city and county governments in 4 states and has conducted sales tax re-allocation audits for 60 counties in North Carolina. Lenoir County contracted with Tax Reduction Specialists in October 2002 to audit the sales and use tax refund claims for tax filings in 1999 through June 2002. Mr. Hollowell stated this time frame was significant because a three (3) year statute of limitations applies to requests for tax refunds and Lenoir County would not have been able to apply for any sales tax refunds for filings through June 1999. The County extended the contract with Tax Reduction Specialists on October 18, 2004 to include sales tax filings through December 31, 2003, on February 7, 2005 to include sales tax filings through December 31, 2006, on March 5, 2007 to include sales tax filings through December 31, 2007, on February 18, 2008 to include sales tax filings through December 31, 2008, on October 6, 2008 to include sales tax filings through December 31, 2009, on February 15, 2010 to include sales tax filings through December 31, 2010, on March 17, 2011 to include sales tax filings through December 2011 and on April 2, 2012 to include sales tax filings through December 2012. Mr. Hollowell stated the requested addendum will extend the contract with Tax Reduction Specialists to include sales tax filings through December 31, 2013. A sales tax re-allocation audit involves identifying the actual county that received credit for the county sales tax on the original sale of merchandise and verifying that the sales tax is credited to the correct county by the N.C. Department of Revenue. Conducting a re-allocation audit is the only way that a county can obtain a refund for improperly reported sales tax. The State of North Carolina will not do this for a county.

Tax Reduction Specialists, in the original agreement, was compensated 25% of the amount of the sales tax refund obtained by Lenoir County as a result of the sales tax re-allocation audit. Under subsequent addendums and the proposed addendum, the County compensates Tax Reduction Specialists at a reduced rate of 20% of the sales tax refund obtained by the County. If the county does not receive a refund, there will be no fee for the services of Tax Reduction Specialists. The County does not have the staff or the expertise to do this work in-house. Mr. Hollowell stated the execution of this agreement will provide Lenoir County with the assurance that it has properly received credit for sales tax re-allocations from the North Carolina Department of Revenue for filings through December 31, 2013 and secure any refunds due to the County for improperly filed or credited sales tax revenues. Mr. Hollowell stated the audit performed by Tax Reduction Specialists has produced a direct benefit to Lenoir County of \$446,512.05 in additional sales tax revenues that were allocated incorrectly by the State of North Carolina. Tax Reduction Specialists has estimated an additional benefit to the County of \$1,225 through the tax filing period ending December 31, 2012 and additional revenues for filings through December 31, 2013. Tax Reduction Specialists has not raised their fee in a number of years and has agreed to keep their fee the same for this addendum. Mr. Rouse inquired if there have been any other financial advisors recommended to assist with the tax reduction? Mr. Hollowell stated there are very few financial advisors that provide assistance with tax reduction services of this magnitude. Upon a motion by Ms. Sutton and a second by Mr. Daughety, Item No. 11 was unanimously approved.

Item No. 12 was a Resolution Approving Acceptance of Fee Arrangements for Financial Advisory Services in Connection with Proposed Authorization and Issuance of Series 2013 General Obligation Refunding Bonds: BB&T Capital Markets, a Division of BB&T Securities, LLC: Per Proposal Dated January 28, 2013: \$27,500. Mr. Hollowell stated in 2007, Lenoir County issued General Obligation Bonds for schools and library facilities. In 2008, the County issued General Obligation Bonds for additional school facilities. Because of low market interest rates, it now appears that the County can realize savings by refinancing, all or a portion, of the Prior Bonds. Mr. Hollowell stated representation for the County by a certified financial advisor is a requirement of the North Carolina Local Government Commission. County Administration received proposals from three (3) certified financial advisors containing their qualifications and computations estimating potential savings to the County by issuing advanced refunding bonds to pay off all, or a portion of Series 2007 and 2008 General Obligation Bonds, previously issued by the County. Upon a motion by Mr. Hill and a second by Mr. Daughety, Item No. 12 was unanimously approved.

Item No. 13 was a Resolution Approving Acceptance of Fee Arrangements for Bond Counsel Services in Connection with Proposed Authorization and Issuance of Series 2013 General Obligation Refunding Bonds: Sanford Holshouser, Attorneys at Law: Per Proposal Dated January 24, 2013. Mr. Hollowell stated in 2007, Lenoir County issued General Obligation Bonds for schools and library facilities. In 2008, the County issued General Obligation Bonds for additional school facilities. Mr. Hollowell stated due to the low market interest rates, it now appears that the County can realize savings by refinancing, all or a portion, of the Prior Bonds. Representation for the County by a qualified Bond Counsel is required.

At the request of management, the law firm of Sanford Holshouser provided the County with a proposal for this service. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 13 was unanimously approved.

APPOINTMENTS

Item No. 14 was a Resolution Approving Citizens to Boards, Commissions, Etc. Upon a motion by Mr. Rouse and a second by Mr. Daughety, with unanimous approval the Board recommended Rita Hodges to fill Mr. Rouse’s term on Eastpointe’s Board. There were no actions taken on the board appointments since it was a first appearance for all applicants.

<u>BOARD/COMMITTEE/COMMISSION</u>	<u>APPLICANT/CURRENT MEMBER</u>	<u>TERM EXPIRATION</u>
Regional Aging Advisory Committee	Walter Laroque Reappointment 1 st Appearance	February 2016
Eastpointe	Rita Hodges 1 st Appearance	July 2013

CLOSED SESSION

Upon a motion by Ms. Sutton and a second by Mr. Daughety, and unanimous approval, closed session was entered at approximately 10:00 a.m. and the following cited: Number six (6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance, by or against an individual public appointment of a member of the public officer or employee. The Closed Session will not include discussion of the appointment of a member of the public body, or a vacancy on the public body, and any final action on appointment, discharge or removal by the public body will be made in open session. Upon a motion by Ms. Sutton and a second by Mr. Daughety, the Board moved out of closed session at approximately 10:20 a.m.

OPEN SESSION

Mr. Davis stated the Board accepted Sheriff William Smith’s letter of resignation as of March 31, 2013. Ms. Davis expressed his thanks and gratitude to Mr. Smith for his dedicated years of service. Mr. Jarman stated the Sheriff will make a recommendation to the Board to fill his position. Mr. Daughety stated Mr. Smith will be greatly missed. The Board commended Mr. Smith for his dedicated service to the citizens of Lenoir County and for his dedication as the President of the North Carolina’s Sheriff Association.

Mr. Davis recessed to the County Administration Building at 10:27 a.m.

Respectfully submitted,

Reviewed By

Clevette F. Roberts
Interim Clerk to the Board

Michael W. Jarman
County Manager