

**MINUTES**

**LENOIR COUNTY BOARD OF COMMISSIONERS**

**October 19, 2015**

The Lenoir County Board of Commissioners met in open session at 5:00 p.m. on Monday, October 19, 2015, in the Board of Commissioners' Main Meeting Room in the Lenoir County Courthouse at 130 S. Queen St., Kinston, NC.

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

Members Absent: None

Also present were: Michael W. Jarman, County Manager, Martha Martin, Finance Officer, Vickie F. King, Clerk to the Board, Robert Griffin, County Attorney, Chris Harper, Special Projects Officer, members of the general public and news media.

Chairman Hill called the meeting to order at approximately 5:00 p.m. Ms. Brown offered the Invocation and Mr. Rouse led the audience in the Pledge of Allegiance.

**PUBLIC INFORMATION:**

None

**PUBLIC COMMENTS:**

None

Mr. Hill reminded the general public in order to speak under public comments you must sign in prior to five (5) minutes of the start of the meeting and follow the three (3) minute guideline.

**CONSENT AGENDA:**

1. Approval of Minutes: Regular Board Meeting: October 5, 2015.  
Closed Session Meeting: September 21, 2015.
2. Budget Ordinance Amendment: General Fund: Health: (Adult Health-HIV/STD): Increase: \$2,000.

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

**PUBLIC HEARINGS/RESOLUTIONS**

Upon a motion by Ms. Brown and a second by Ms. Rouse Sutton a public hearing for the Community Transportation Program grant was entered into at 5:10 p.m. Common Consent

Chris Harper, Special Projects Officer introduced Ms. Angie Greene the new Transit Director.

Item No. 3A was a Public Hearing Regarding proposed Community Transportation Program. Chris Harper, Special Projects Officer, stated the reason for the public hearing. He asked if there were any comments, there were none. Upon a motion by Ms. Brown and a second by Ms. Rouse Sutton, the public hearing was closed at 5:12 p.m.

Item No. 3B was a Resolution supporting the Community Transportation Program. Angie Greene, Transit Director, stated the Community Transportation Program provides assistance to coordinate existing transportation programs operating in Lenoir County as well as provide transportation options and services for the communities within this service area. Upon a motion by Ms. Brown and a second by Ms. Rouse Sutton, Item No. 3B was unanimously approved. Called to question

Item No. 3C was a Resolution authorizing persons to execute required documents for the Community Transportation grant. Angie Greene, Transit Director, stated this resolution is to authorize the Lenoir County Transportation Advisory Board, the Chairman of the Board of Commissioners, County Manager, or staff so designated to execute required grant documents on behalf of the County, if the Community Transportation Program Grant for FY2016-2017 is awarded to Lenoir County. Upon a motion by Ms. Brown and a second by Ms. Rouse Sutton, Item No 3C was unanimously approved. Common Consent

#### **BUDGET ORDINANCE AMENDMENTS/RESOLUTIONS:**

Ms. Susan Moore introduced Mr. Jeff Harrison the new Deputy Director of Lenoir County Department of Social Services. Ms. Moore stated I am delighted to have Jeff in this position.

Item No. 4 was a Proclamation regarding Adoption Awareness Month. Susan Moore, DSS Director, read the proclamation. Upon a motion by Mr. Davis and a second by Mr. Best, Item No 4 was unanimously approved. Common Consent

Item No. 5 was a Budget Ordinance Amendment: General Fund: Health: (Adult Health-Family Planning): \$3,027: Decrease. Michael W. Jarman, County Manager, stated Mr. Huff had a prior engagement and asked me to present this for him. This is a decrease in Title X funds. These funds provide or assure that low income patients in North Carolina have access to Family Planning services. Upon a motion by Ms. Brown and a second by Ms. Rouse Sutton, Item No. 5 was unanimously approved. Common Consent

Item No. 6 was a Budget Ordinance Amendment: Transportation Fund: Operations: \$3,481: Increase. Angie Greene, Transit Director, stated this budget amendment is to adjust Transit revenues and expenditures for the Rural Operating Assistance Program (ROAP) allocations to actual approved amounts. At the time of adopting the budget, the Transit Department budgeted numbers were relative to FY14-15. The actual approved allocations were not received until October 5, 2015. This will adjust those numbers accordingly. Upon a motion by Mr. Davis and a second by Ms. Brown, Item No. 6 was unanimously approved. Common Consent

Item No. 7 was a Budget Ordinance Amendment: General Fund: Non-Departmental: \$5,000. Increase. Michael W. Jarman, County Manager, stated Ms. Martin was unable to attend the meeting today due to a conflict. This amendment is to appropriate funds to cover the cost of a contract with Sky Insurance Technology LLC to facilitate the Affordable Care Act (ACA) reporting for calendar year 2015. This contract was approved for ECM Solutions (partnering with Sky Insurance Technology LLC) to prepare both the 1094-C and the 1095-C's required as part of the ACA. Upon a motion by Ms. Brown and a second by Ms. Rouse Sutton, Item No. 7 was unanimously approved. Common Consent

Item No. 8 was a Resolution Approving Citizens to Boards, Commissions, Etc. Upon a motion by Ms. Brown and a second by Ms. Rouse Sutton, Item No 7 was unanimously approved for Vivian Roach, Ella Moore Clarke, Jameka Patrick, June Cummings, and Colleen Kosinski to be appointed to the Juvenile Crime Prevention Council (JCPC). Common Consent

Mr. Jarman stated for the Board's knowledge in regards to the first appearance for the Jury Commission. The first candidate, Mr. Howard, is Judge Jones' recommendation. The Clerk of Court, Dawn Stroud, recommends one person and that is Ms. Brown, and the other is the recommendation from the Board of Commissioners. The Jury Commission requires three members and I am glad that you worked and got your nominee in place so we can complete this process. I wanted to make sure you were aware of the process of approving all three. However as you can see, two of the three are coming from someone else Judge Jones and the Clerk of Court.

Item No. 9 was items from the County Manager, Michael W. Jarman. Mr. Jarman stated you have the usual inspections and permits reports, the financial performance summary reports, and the Community Development Block Grant (CDBG) quarterly reports. There has been a delay in the schedule with the CDBG because of some sewer issues. We had to change some of the plans and we are working on the issues with the project in LaGrange. Anyone interested in the Community Based Grants Initiative that we advertised in which we are working with Golden Leaf on, must have their letter of inquiry into us by close of business Wednesday the 21<sup>st</sup> of this week. Once we receive the applications we will be in touch with the Board. We had a positive conference call today regarding the refinancing of the school bonds. We will have a more formal presentation at your next meeting. At this time Chris Harper will share the information he gathered regarding sweepstakes.

Chris Harper, Special Projects Officer, stated at the September 21<sup>st</sup> Commissioners Meeting, Mr. Rouse presented a petition with concerned citizen's signatures regarding Sweepstakes businesses in the 258 North area of the county. Just a few days prior to the meeting on the 21<sup>st</sup>, an employee was shot at a Sweepstakes business and the petition suggested that some form of regulation was needed. As of today, there are currently 227 signatures on the petition.

If you review the handout I gave you there is a copy of the statutory authority of this Board on the 1<sup>st</sup> page, on the 2<sup>nd</sup> and 3<sup>rd</sup> pages are copies of statute defining electronic machines and sweepstakes. On the 4<sup>th</sup> page there is a summary of what our surrounding counties are doing. Lastly, there is a historical summary of court rulings and appeals across the state of North Carolina.

Regulation is much more intricate than just creating an ordinance because there is support from the public to do so. There are have been numerous lawsuits by Internet Cafe owners toward municipalities, local government and law enforcement since 2006, when the North Carolina General Assembly passed a law outlawing video gambling and the prohibition of video poker machines.

Since that time, there have been court decisions from local jurisdictions all the way to the NC Supreme Court regarding the legality of Internet cafes. Regardless of the rulings of the court, the sweepstakes owners and software companies would make moderate changes to comply with the “newest” interpretation of the law.

Despite attempts across the state at a local and state level it is estimated that the sweepstakes industry in North Carolina by 2012, had grown to an approximate \$1 billion a year business. These financial rewards have allowed sweepstakes owners and software engineers to play a “cat and mouse” game to comply with the most recent court decision.

Across the state, jurisdictions have been led by the District Attorney and Law Enforcement to prosecute or not prosecute sweepstakes. However, this partnership can also lead to complication with enforcement and allow easier operation for the Internet Cafe owners. In some jurisdictions, the District Attorney may wish to not prosecute these cases and the Sheriff may wish to prosecute them. Neither can force the other to change their stance and this can cause an environment that is conducive for sweepstakes to thrive.

The District Attorney and Sheriff are both elected officials. The District Attorney based on his or her interpretation of the case decisions with the North Carolina Court of Appeals or the North Carolina Supreme Court decides whether or not to prosecute. The Sheriff’s department or any local law enforcement cannot arrest someone without the support of the District Attorney prosecuting the case in court.

Since our last Commissioner’s meeting I actually went to Clover City Internet Cafe. The owner spoke at a recent Commissioner’s meeting and she welcomed you to visit her establishment. I am glad that I went to see the facility and to not make any type of judgment or determination without ever going to an Internet Cafe.

Therefore, to remain neutral I wish to give you a good old Pros and Cons list:

#### Sweepstakes Pros:

- Brings jobs to the county, each facility employs 8-10 people.
- Building owners receive somewhere between \$2,000-\$2,500 per month in rent
- It is a form of entertainment for people
- It generates \$8,000 in revenues for the county in Miscellaneous Business license fees
- Other than the one recent incident, the Sheriff’s Department has not been called to any of the other cafes

#### Sweepstake Cons:

- I’ve not talked with anyone who wants to have an internet cafe near their home.
- According to the most recent court ruling, it appears that sweepstakes are not legal
- Sweepstakes seem to be very similar to gambling. From my research on Facebook, to gather information on local sweepstakes, it appeared that players had the opportunity to win thousands of dollars by playing these machines with the allure of minimal investment.
- Gambling is regulated in every state with legalized gambling. North Carolina does have legalized gambling, the Education Lottery and Cherokee. Anything outside of these two things is illegal. However, these sweepstakes are not regulated. Gaming commissions set standards with payouts that are highly regulated to protect the consumer.

- There aren't any regulations or payout standards with sweepstakes. Our citizens could be getting 1% or 15% of the overall proceeds, but there is no regulation to protect them as a consumer.

In my interviews and communication with members of law enforcement, sweepstakes employees, the County Attorney, the Planning and Inspections department and members of the general public several things have become clear.

Almost everyone views the Internet sweepstakes as an "if then" proposition. I'd like to explain that. In my conversations with the people I mentioned previously I'd ask them to read NCGS 14-306.4. Most people would ascertain after reading it that the sweepstakes seem illegal. But, almost invariably each person would make comparisons to the Education Lottery, local bingo or to question the legality of something else to somehow justify making sweepstakes "more legally acceptable." Comparing items with "if then" comparisons seem to muddy the waters rather than clarify them.

Solving or even attempting to solve the issue of sweepstakes is complex. From the legal opinion of the County Attorney, "it seems to be an issue for the Lenoir County Sheriff's Department and the District Attorney." Many have asked, "Why are we issuing miscellaneous business licenses to businesses that don't seem to be legal?" Others have suggested that sweepstakes should be regulated by having strict work hours and not being allowed to be in certain areas of the county. Regulation in each of these areas opens legal concerns that have already been appealed to the North Carolina Court of Appeals and to the North Carolina Supreme Court.

From the research I've conducted, most people have felt that the incident at the sweepstakes was an isolated incident and that other businesses in the county and city have much worse public safety records and that these businesses haven't been regulated as a result.

For the most part, it seems that almost everyone dislikes a sweepstakes near their home or business, regardless if they are a customer or not. It also seems that those who have the most disdain for them, is because of a moral issue, not the personal impact or conduct of those frequenting the businesses. I've not heard any stories where people have lost their homes, lost their retirement savings or failed to provide for their family because of playing sweepstakes.

I'd like to thank Major Ryan Dawson, Sheriff Ingram, Gary O'Neal with Planning and Inspections, the County Attorney, Mr. Bob Griffin and Vickie King, the Clerk to the Board, in helping me with compiling this information.

I will be happy to answer any questions you may have.

Mr. Hill thanked Mr. Harper for researching and sharing the information with the Board. I think it would be wise on our part to hold on to it, take the time to look it over, and digest it.

Mr. Best asked Mr. Harper how many sweepstakes are located in Lenoir County ?

Mr. Harper replied he thinks about thirteen (13).

Mr. Rouse asked the amount to purchase a sweepstake license?

Mr. Harper replied \$500.00.

Mr. Rouse asked if the City of Kinston allowed Internet Cafe/Sweepstakes?

Mr. Harper replied No.

Mr. Jarman mentioned that some places have raised the amount of fees which have been challenged in court because it appears to work better where the fee is reasonable.

Mr. Hill thanked Mr. Harper for bringing the information to the Board.

Mr. Rouse asked Mr. Harper in regards to the statement he said “the Sheriff’s office has only responded to one incident regarding sweepstakes” was that the particular shooting on Highway 258?

Mr. Harper replied that is my understanding based on talking with Major Dawson.

Mr. Rouse stated he personally has seen deputies at the end of his road several times.

Sheriff Ingram stated there were two attempted break ends on Highway 258.

Mr. Rouse asked if that incident was when they busted out the windows, and does that not count as an incident when the Sheriff’s department responds to them, and is there a total number on things like that?

Sheriff Ingram stated without looking at the records other than the shooting I believe there have been three (3). Contrary to public belief, to our knowledge there is only one sweepstake cafe that we know of that was operating illegal. If we know they are definitely illegal we do regulate, we do go in, and if they are in violation we charge them.

Mr. Rouse asked Sheriff Ingram if they had any instances of that type?

Sheriff Ingram replied there is the one that they have already charged and I think we have one that we have to check on. So as far as having to respond because of a disturbance or something going on we have not had to other than the one shooting.

Mr. Rouse asked what about the break ins?

Sheriff Ingram replied there were attempted break ins and other than that we have not had to respond to any type of disturbance.

Mr. Rouse stated the bridge project has progressed to eighteen percent (18%). I brought forth a resolution in support of Option #4 from the Transportation Committee. Unfortunately we have found out since then that particular plan is not feasible due to the sewer layout. Because of that we will not be able to do the islands down the center which would have really changed the look of that area. The alternative that we are looking at now is Option #2.

Mr. Rouse asked Mr. Harper did we get an answer back from Wayland Humphrey on the land use, and when was the last time we did a land use plan for Lenoir County?

Mr. Hill stated there was some questions concerning forestry land use brought to the Board about two or three years ago.

Mr. Rouse stated it needed to be updated for funding issues and special projects.

Mr. Jarman stated I will check and verify but I don’t think it has been updated or changed in a while. However, I will verify and report back to you. If you are looking at the timeline requirements for grants purposes I believe we will be within the group that needs to update but I am not positive.

Mr. Davis stated we have a Lenoir County citizen who is not only locally known but nationally as well, who is getting an award in Raleigh in a few days. Mr. Maceo Parker is a very talented musician. I thought that was something really good for Kinston to have a citizen that is this renowned and to be recognized. Also, we have two active major league baseball players from Kinston, Mr. Hatcher and Mr. Capps who are doing great things. Mr. Hatcher just made four appearances and did not allow any hits, and they were just short of making the playoffs.

Ms. Brown stated there was an article in today's paper featuring one of South Lenoir's former students. He goes by the name of Jackie Spade and he made a guest appearance on the BET Hip Hop awards show.

Mr. Jarman stated on a side note, regarding Chris Hatcher, every year including last year since he has been on a major league roster, he has still worked with Kinston/Lenoir County Parks and Recreation (during the off season). Also, he is one of the individuals who assisted in erecting our Christmas Tree each year. Mr. Hatcher is an awesome individual doing a great job for us.

Mr. Hill stated Chris Hatcher is included in a lot of articles with the Dodgers' organization.

Mr. Hill stated last week he attended the Education Steering Committee meeting which will meet two additional times. During the meeting we heard from a lot of folks, individuals from the Friday Center regarding technology planning across the state. We heard from the interim director of the charter schools, and mental health personnel. There was a joint meeting with human services which I thought was very interesting. Overall I thought it was a nice meeting to attend.

Mr. Rouse stated during his family vacation to Germany, the school allowed his daughter to take her Ipad. At night she was able to download, complete, and return her homework/assignments. The Europeans, who are very technical people, especially in Germany, were amazed when I explained to them about the Ipad program and how all the students at each school had one.

Upon a motion by Mr. Best and a second by Ms. Brown the meeting was adjourned.

Meeting Adjourned at 5:35 p.m.

Respectfully submitted,

Reviewed By

Vickie F. King  
Clerk to the Board

Chris Harper  
Special Projects Officer