

Minutes
Richmond County Board of Commissioners
1401 Fayetteville Road, Rockingham, NC
REGULAR MEETING
Tuesday, June 02, 2020 5:30PM

The Richmond County Board of Commissioners met for a Regular Meeting on Tuesday, June 02, 2020 at 5:30 P.M. with the following present: Present in the room were Chairman Kenneth R Robinette, Vice-Chairman John B. Garner; Commissioners - Don M. Bryant, Jimmy L. Capps, and Ben T. Moss, Jr.. Remotely were Commissioners Tavares Bostic and Rick Watkins. Chairman Robinette instructed the board to state their name and vote when a vote is called for so that it can be recorded.

The meeting was called to order by Chairman Robinette at 5:30 P.M.

ITEM NO. 1 Invocation by Commissioner Watkins

Invocation was given by Commissioner Watkins

ITEM NO. 2 Approval of Agenda - Decision

By a motion of Commissioner John Garner, seconded by Commissioner Ben Moss.

Commissioner Jimmy Capps voted yes; Commissioner Don Bryant voted yes; Commissioner Rick Watkins voted yes; Commissioner Tavares Bostic voted yes; Chairman Kenneth Robinette voted yes and by unanimous vote. Motion carried.

ITEM NO. 3 Open Forum for Public Comments - 5:30 - 6:00 PM

No one signed up to speak

ITEM NO. 4 Public Hearing on FY 2020 - 2021 Proposed Budget- Bryan Land County Manager - Decision

Section 4.31 of S.L. 2020-3 (SB704) specifically authorizes remote meeting and public hearings, upon issuance of declaration of emergency under G.S. 168A-19-20. The public body has to allow for written comments on the proposed budget to be submitted between publication date and 24 hours after the public hearing.

Chairman Robinette opened the Public Hearing at 5:31PM

Due to COVID-19 the public was to send any questions or concerns to the clerk from May 20, 2020 until June 03, 2020. There were no questions or concerns sent to me before the public hearing.

Chairman Robinette closed the Public Hearing at 5:32PM

ITEM NO. 5 Formal Presentation of FY 2020 - 2021 Budget and Monthly Report - Bryan Land, County Manager - Decision

County Manager Land read to the board and public his budget message for the FY 2020-2021 Budget.

In accordance with the North Carolina General Statutes, I am pleased to submit for your review and consideration the proposed Richmond County Budget for Fiscal Year 2020-2021.

This budget is the result of the combined efforts of all department heads, as well as many other employees who assisted with the tracking and monitoring of the various revenues and expenditures. As always, I sincerely appreciate the efforts from Mac Steagall and Sheila Trotter in our finance office. I feel that the proposed budget is as understandable and as straightforward as I can make it. However, I have made an effort to call to your attention to some items on which I would appreciate your special review and consideration. Of course, there may be other areas of the budget that you will want to review in detail. After reviewing the 2019 County audit report, the N.C. Treasurer's Office sent a letter to the Commissioners expressing concern with the County's use of transfers from the Solid Waste Fund to balance the General Fund budget. The County has been working on removing the General Fund's dependence on Solid Waste transfers. The first step in this process was increasing the 2018-19 ad valorem tax rate. The second step was a reallocation of expenses from the General Fund to the Water and Solid Waste Funds based on our annual cost allocation plan. Finally, the third step in the process was the change of sales tax distribution method which will increase the sales tax revenue allocated to the County's General Fund.

This budget has been a tremendous challenge for the entire staff and I. In fact, when I received the budget, I had a 4.5 million dollar gap to close. Some of this gap was closed by severe cuts to departmental budgets. Sales tax revenue for 2018-19 was 10% over budget. The sales tax for 2019-20 do date has exceeded the amount budgeted by about 6%. However, we feel confident those numbers will decline considerably soon, due to the effects of Covid-19. The budget for 2018-19 included an increase to the tax rate of 4 cents. This tax revenue didn't even cover the additional budget for the Emergency Management department due to the county-wide consolidation of services. Eight former municipal employees are now county employees due to this change. No funding has been made by the municipalities to the County to offset this expense to County taxpayers. Additionally, the extraterritorial jurisdictions ceded to the County from both the Rockingham and Hamlet municipalities have been an additional financial burden to overcome in this budget.

Consistent growth is badly needed from sales tax revenues even in these uncertain times. As you know, sales taxes and ad valorem taxes are the County's primary sources of revenue and like all other NC counties; we are still suffering from a lag in property tax values. It has become increasingly difficult for a County government to fund mandated services much less service required debt. As you recall, we are currently servicing \$25 million in school bonds as well as a \$20 million dollar Judicial Center loan. The change in distribution method for sales tax to the ad valorem method will place the County in a more positive position to rebuild our General Fund balance; however, the extent of the impact on the current economy remains to be seen.

The national, state and local economy has been thrown into total confusion by the coronavirus outbreak. While social distancing and isolation has slowed down the virus, it is taking a toll on the economy and our sales tax numbers. However, the plan is to alternate between isolation and a return to normalcy if only for short periods of time. Hopefully the delicate balance can be maintained by switching back and forth until vaccinations are available. But many economists feel the effects of Covid -19 will continue to paralyze our economy for the foreseeable future.

The FY 2020-2021 overall proposed General Fund budget is balanced at \$53,071,073. This represents a decrease of approximately \$968,000 when compared to last year's original budget of \$54,039,154; and it is a decrease of \$2 million when compared to the current 2020 revised budget.

This proposed budget is extremely fiscally conservative. There are funds set aside to meet our debt requirements and to maintain current County operations. Many departmental budgets have been cut severely, and some organizations have been recommended for funding below what was requested.

Much of the County's budget is made up of personnel costs. This budget includes no cost of living adjustment increase for full time employees, but does include a .50% increase to an existing 5.50% contribution to 401K for all employees currently contributing at least 1% to 401K, and the retention of the two bonus days off for all full-time employees. Employees can opt to receive a payment of \$100 per day instead of taking time off.

The proposed budget also includes a small amount of money to continue the merit pay program for employees. The merit and longevity plans adopted by the Board of Commissioners have helped us to reward and retain those employees whose work means the most to our citizens. I would like to continue to allow County employees to take a paid day off for their birthdays. This is an item that is included in the current year's budget.

I have continued to fund the County Employee Health Clinic operated through our local Health Department that was begun on a limited scale nine years ago. The Clinic will continue to be available at little or no cost to our employees. The benefits of this clinic may positively affect not only the general health of our employees, but our health insurance costs over the long haul. Dr. Jarrell and I both feel very strong about continuing to operate the clinic.

We are continuing to provide health insurance for full-time employees at no cost to the employee, despite rising health care expenses. The original quote I received required a 12.48 % increase in premiums, however by partnering Nationwide with First Health First Carolina Care, and going through a rigorous bid process, the County will only have a 2.6% increase in premium cost for 2020-21. This will be our sixth year with First Carolina Care. It is important to note that six providers denied to offer a quote due to our loss ratio. Our deductible will be \$3500; however, the supplemental Nationwide card for employees will have a \$1000 base value or a buy up value of \$3000. Dental will transition from Companion Life to Unum with the same rate as last year with a two year guarantee. Co-pays for prescriptions changed slightly from 8/35/55 to 10/40/60. Office co-pays for Primary Physicians will remain at \$50.00 and specialists will remain \$75.00.

It is important to keep in mind that there are activities in Raleigh every day that the Legislature is in session that can affect our budget. County Commissioners from across this State should work together to not only fend off attempts to pass more and more responsibility from the State to the counties, but also to obtain some relief from all unfunded mandates that are already in place. In 2014, the statutory share of State Lottery funds for public schools was repealed by the State Legislature leaving these funds in doubt. Additionally, ADM Funds (Corporate Tax Set Aside money) were redirected permanently by the State, reducing the amount available for school capital projects. Richmond County's share of Education Lottery funds are needed to pay school bond debt and our ADM Funds were used to build and remodel public school buildings, leaving few options for our county to fund any new school building projects. In 2015, a legislative proposal would have made small equipment borrowings require approval at the polls. Such a restriction would have seriously hampered day to day operations for the County. Luckily, the proposal didn't have the support to become law.

Our taxpayers have had the option to make tax payments online by credit card for the past ten years, and the County also accepts credit and debit cards for Water Billing, Building Inspections, Mapping, Human Services and Solid Waste payments.

The proposed budget includes adequate funds to continue our law enforcement and jail operations. The willingness of Sheriff Clemmons and Chief Gulledge to work with me on saving money for the upcoming year has been crucial in my ability to balance the budget.

Many agencies and departments have not been recommended for all of the funding requested. The Richmond County Board of Education is recommended for no increase over the amount funded in the FY 2019-2020 budget. Funding for Richmond Community College is also recommended for no increase in the funding from the 2019-20 level. I sincerely appreciate the willingness and cooperation from Dr. McInnis and Dr. Maples working together with me on cost cutting measures. Additionally, it is noteworthy that in the 2019-2020 budget, RCC was funded at a 7.8% increase compared to the previous year to cover the cost of the maintenance and utilities of the future RCC downtown campus which will open later this summer.

TAX RATE

The budget as proposed will require a tax rate of \$.83 per \$100.00 of valuation, no increase from last year. In accordance with regulations of the North Carolina Local Government Commission, the budget is based on a tax collection rate of 96.62 percent for property and 100.00 percent for vehicles, since these numbers reflect the final rate of collection rate at the close of FY 2018-2019. However, most vehicle taxes are now collected for the County by the NC Department of Motor Vehicles which has led to some uncertainty in revenue projections.

The proposed General Fund Budget includes realistic revenue and expenditure projections; however, for the first time since fiscal year 2011-12, no transfer from the Solid Waste Fund was required to balance the budget. Additionally for the second consecutive year, no fund balance was appropriated to balance the General Fund budget. Our available fund balance has gotten dangerously close to the 8.33% minimum recommended by the N.C. Local Government Commission. In previous years, the only way to balance the General Fund budget was with Solid Waste transfer or the use of fund balance. To cover the additional budget ceded from the municipalities and build fund balance back to healthy percentage without resorting to Solid Waste transfers; the Commissioners chose to change the method of distribution of sales tax funds. Even with this change, the nature of the current economy will make the fund balance recovery a much slower process. In fact, the current budget is so constricted that a cost of living increase for employees doesn't fit. This is something I will make a priority to rectify once the economy has regained some sense of normalcy.

SOLID WASTE

The proposal includes a Solid Waste Budget that is balanced at \$3,874,000. The budget includes no increase in residential fees and commercial fees. We will absorb an increase of 2.50% from Uwharrie Environmental based on CPI. Our Public Works Director, Jerry Austin and his Assistant Bryan Leggett, continue to look for ways to cut our operational costs, increase productivity, land grants and increase our recycling numbers.

WATER

The proposed Water/Sewer Budget is balanced at \$6,358,000. The budget includes no increase in commercial, industrial and bulk water rates; Residential customers will see a 3% increase in their water rates for 2020-21 under this budget proposal. Rates for Cordova sewer will increase by 5%. Occasional water rate increases are necessary to keep up with the continued increases in operational cost including the cost of water chemicals, power and fuel. We have renegotiated our bulk water purchase contract with Anson County in January. We feel highly confident we will accrue some much needed savings with producing a larger percentage of our water in lieu of purchasing from Anson. In late November, we finalized our Old Cheraw Waterline Extension Project. The project included over 8 miles of new water lines

and is serving over 40 new customers. Jerry Austin also played an instrumental role in the construction of shell building #5. Lee Butler, our Water Treatment Supervisor and his staff have done an excellent job with upgrading our water treatment facility. The Water/Sewer Budget also includes some equipment improvements.

ECONOMIC DEVELOPMENT

We continue to work aggressively for continued development. The citizens of Richmond County have invested a great deal of money in their future and it is imperative that we continue our successes. Economic Development had two Statewide announcements, Novipax and VBC Manufacturing. Novipax hired 50 new employees and added 5 million in investment. We were able to secure a \$200,000 building reuse grant for the company. VBC added over 150 new jobs with over 12 million in new investment. We were able to secure a 2.179 million JDIG Grant for the company. All of the jobs created this year have been above our County average of \$34,000/annually. Direct Pak has broken ground on their 50,000 sf expansion. We also secured a \$400,000 building reuse grant for the company. Economic Development was successful in securing a \$75,000 demolition grant to assist with the cleanup of the old Tartan Boat Company site. Global Packaging will take ownership of the site once the projects completed. Shell Building #5 has been a huge success for the County. The project was completed in April and one of our local industries Impact Plastics occupied the facility in late April. And last but not least, we have secured an option on a 700 acre parcel adjacent to Duke Energy which will become the next industrial park. We have submitted over 2.5 million in potential grants from infrastructure upgrades to the park; to date we have been awarded 1 million through the Industrial Development Fund. Martie Butler has worked diligently on grant submissions for the new park. I have budgeted for the local tax grant programs awarded to Trans Carolina Products, Enviva, American Woodmark, Direct Pack, Qualice and others.

Nearly all of our industries have experienced organic growth, which mirrors that of a strong economy. Most have incrementally increased their jobs and investment throughout the year. However, due to the Covid 19 pandemic there is much uncertainty to our future economy. Martie Butler, our Economic Developer/Management Analyst and I are cautiously optimistic about the foreseeable future in Economic Development. We are both looking forward to a strong 2020-2021 fiscal year. We are very excited about the opportunities with our new industrial park.

Nearly all of our industries have experienced organic growth, which mirrors that of a strong economy. Most have incrementally increased their jobs and investment throughout the year. However, due to the Covid 19 pandemic there is much uncertainty to our future economy. Martie Butler, our Economic Developer/Management Analyst and I are cautiously optimistic about the foreseeable future in Economic Development. We are both looking forward to a strong 2020-2021 fiscal year. We are very excited about the opportunities with our new industrial park.

FIRE DEPARTMENTS

I have included in the proposed budget the following tax rates for the fire tax districts:

Northside	\$.09
Cordova	\$.10
Mt. Creek	\$.10

I have included in the proposed budget the following rate for the following fire service districts:
East Rockingham \$.10

I have continued to set aside funds to continue the program that you began in FY 1999-2000 to assist Cordova, Mountain Creek and Northside Fire Departments in the purchase of new fire trucks. This money is appropriated at a rate of \$7,500.00 per year for 10 years, or until these departments have received the same level of funding as the other departments (\$75,000.00).

I am recommending that the fee departments continue to be funded with the same fee structure as last year. I am making these recommendations based not only on the anticipated expenditures, but I am also taking into consideration the amount of funds held on hand by the department. The funds generated by the tax rates listed above will provide for the expenses anticipated and requested by these fire departments.

COMMITMENT

I will soon be entering my third year as County Manager; every year has been challenging. However, this year will by far be the most challenging year yet due to the major uncertainties of our nation's economy and the effects of future revenues for our County due to carryover from Covid-19. Many behind-the-scenes changes have been made that I feel have allowed us to operate more efficiently and effectively. More changes are in the works! I appreciate the support that I have received from the Board of Commissioners and the entire staff since I was appointed as County Manager in September 2017. The cooperation that I have received has been critical in our efforts to weather the economic challenges that we are experiencing while still providing the highest level of service possible. I pledge to continue operating in the same manner that I have since I came to work for Richmond County in 2010 by insuring that Richmond County's taxpayers and Enterprise Fund customers continue to receive the highest level of service in the most efficient manner possible.

Chairman Robinette explained that due to COVID-19 restrictions, the call for a vote will be delayed until Thursday, June 4, 2020 at 10:00 A.M. This will give the public time to send in questions or concerns to the Clerk.

ITEM NO. 6 **Request for Board Consideration of Approval of Appointment to the Hoffman Fire & Rescue Relief Board - Bryan Land,**

By a motion of Commissioner Don Bryant, seconded by Commissioner Jimmy Capps .

Commissioner Ben Moss voted yes; Vice-Chairman John Garner voted yes; Commissioner Rick Watkins voted yes; Commissioner Tavares Bostic voted yes; Chairman Kenneth Robinette voted yes and by unanimous vote. Motion carried.

ITEM NO. 7 **Request for Board Consideration of Approval of Proclamation for Elder Abuse Awareness Day - Bryan Land, County Manager - Decision**

By a motion of Commissioner Don Bryant, seconded by Commissioner Ben Moss.

Commissioner Jimmy Capps voted yes; Vice-Chairman John Garner voted yes; Commissioner Rick Watkins voted yes; Commissioner Tavares Bostic voted yes; Chairman Kenneth Robinette voted yes and by unanimous vote. Motion carried.

ITEM NO. 8 **Request for Board Consideration of Approval of Reappointment to the SEDC Board - Bryan Land, County Manager - Decision**

By a motion of Commissioner Jimmy Capps, seconded by Commissioner Ben Moss.

Vice-Chairman John Garner voted yes; Commissioner Don Bryant voted yes; Commissioner Rick Watkins voted yes; Commissioner Tavares Bostic voted yes; Chairman Kenneth Robinette voted yes and by unanimous vote. Motion carried.

ITEM NO. 9 **Request for Board Consideration of Approval of 2020-2021 Home and Community Care Block Grant Budget - Bryan Land, County**

Manager - Decision

By a motion of Commissioner Jimmy Capps, seconded by Vice-Chairman John Garner.

Commissioner Ben Moss voted yes; Commissioner Don Bryant voted yes; Commissioner Rick Watkins voted yes; Commissioner Tavares Bostic voted yes; Chairman Kenneth Robinette voted yes and by unanimous vote. Motion carried.

ITEM NO.10 Request for Board Consideration of Approval of Advertisement of Tax Liens on Real Property for Failure to Pay Taxes - Vagas Jackson, Tax Administrator - Decision

By a motion of Commissioner Don Bryant, seconded by Commissioner Jimmy Capps.

Commissioner Ben Moss voted yes; Vice-Chairman John Garner voted yes; Commissioner Rick Watkins voted yes; Commissioner Tavares Bostic voted yes; Chairman Kenneth Robinette voted yes and by unanimous vote. Motion carried.

ITEM NO.11 Request for Board Consideration for Approval of Fee Schedules for FY 2020 - 2021 for Health & Human Services - Tommy Jarrell, Health and Human Services, Director - Decision

By a motion of Vice-Chairman John Garner, seconded by Commissioner Ben Moss.

Commissioner Jimmy Capps voted yes; Commissioner Don Bryant voted yes; Commissioner Rick Watkins voted yes; Commissioner Tavares Bostic voted yes; Chairman Kenneth Robinette voted yes and by unanimous vote. Motion carried.

ITEM NO.12 Request for Board Consideration for Approval of Hamlet and Hoffman Fire Department Fee Schedule - Donna Wright, Emergency Services, Director - Decision

By a motion of Commissioner Don Bryant, seconded by Vice-Chairman John Garner.

Commissioner Jimmy Capps voted yes; Commissioner Ben Moss voted yes; Commissioner Rick Watkins voted yes; Commissioner Tavares Bostic voted yes; Chairman Kenneth Robinette voted yes and by unanimous vote. Motion carried.

ITEM NO.13 Request for Board Consideration of Approval of Discretionary Funding for Richmond County Juvenile Crime Prevention Council Curtis Ingram - JCPC Chair - Decision

By a motion of Commissioner Ben Moss, seconded by Commissioner Jimmy Capps.

Vice-Chairman John Garner voted yes; Commissioner Don Bryant voted yes; Commissioner Rick Watkins voted yes; Commissioner Tavares Bostic voted yes; Chairman Kenneth Robinette voted yes and by unanimous vote. Motion carried.

ITEM NO.14 Request for Board Consideration of Approval of Proposed Funding for Richmond County Juvenile Crime Prevention Council Curtis Ingram - JCPC Chair - Decision

By a motion of Commissioner Ben Moss, seconded by Commissioner Jimmy Capps.

Vice-Chairman John Garner voted yes; Commissioner Don Bryant voted yes; Commissioner Rick Watkins voted yes; Commissioner Tavares Bostic voted yes; Chairman Kenneth Robinette voted yes and by unanimous vote. Motion carried.

ITEM NO.15 Consent Agenda - Decision

**A) Approval of Draft Minutes of Regular Meeting on June 2, 2020
as Submitted by the Clerk for Review**

**B) Approval of Tax Releases And Tax Refunds for Month of
April, 2020**

**C) Approval of North Carolina Vehicle Tax System Refund Report
for the Month of April 2020**

**D) Approval of Budget Amendment to Restore Human Services
Budget**

**E) Approval of Budget Amendment for Acceptance of the 2020 JAG
Emergency Supplement Funding Program**

**F) Approval of Budget Amendment for 2020 COVID 19 Recovery
Act Funds**

**G) Approval of Budget Amendment for Acceptance of the United Way
Emergency Food and Shelter Grant for Aging Services**

By a motion of Vice-Chairman John Garner, seconded by Commissioner Jimmy Capps.

Commissioner Ben Moss voted yes; Commissioner Don Bryant voted yes; Commissioner Rick Watkins voted yes; Commissioner Tavares Bostic voted yes; Chairman Kenneth Robinette voted yes and by unanimous vote. Motion carried.

ITEM NO.16 Adjournment - Decision

By a motion of Commissioner Ben Moss, seconded by Vice-Chairman John Garner.

Commissioner Jimmy Capps voted yes; Commissioner Don Bryant voted yes; Commissioner Rick Watkins voted yes; Commissioner Tavares Bostic voted yes; Chairman Kenneth Robinette voted yes and by unanimous vote. Motion carried.

Meeting adjourned at 6:16 P.M.

On June 4, 2020, the Richmond County Board of Commissioners met a 10:00am to vote on the FY 2020- 2021 Budget for the county. The vote was delayed due to COVID-19 restrictions.

The meeting was called to order by Chairman Robinette at 10:03 A.M.

Chairman Robinette stated that the board was to vote on the budget. There were no questions or concerns sent to the Clerk during the allotted time frame.

Present in the room: Vice-Chairman John Garner, Commissioner Don Bryant and Commissioner Ben Moss. Also in attendance were Bryan Land, County Manager, Bill Webb, Count Attorney and Sheila Trotter, Deputy Finance Director.

On the phone: Chairman Kenneth Robinette, Commissioner Tavares Bostic, Commissioner Rick Watkins and Commissioner Jimmy Capps.

By a motion of Commissioner Ben Moss, seconded by Commissioner Don Bryant.

Commissioner Jimmy Capps voted yes; Vice- Chairman John Garner voted yes; Commissioner Rick Watkins voted yes; Commissioner Tavares Bostic voted yes; Chairman Kenneth Robinette voted yes and by unanimous vote. Motion carried.

Meeting adjourned at 10:07 A.M.

Respectfully Submitted by the Clerk

Dena R. Cook, NCCCC

Clerk to the Board

Richmond County Board of Commissioners