

## MINUTES – OCTOBER 27, 2008

The Caswell County Board of Commissioners met in special session at the Historic Courthouse in Yanceyville, North Carolina at 6:00 p.m. on Monday, October 27, 2008. The purpose of the meeting was to discuss finances and the current economic condition, hear an update on LINC Services, and consider a request from the Clerk of Superior Court. Members present: George W. Ward, Jr., Chairman, Jeremiah Jefferies, Vice-Chairman, William E. Carter, Nathaniel Hall, Larry G. Hamlett, Kenneth D. Travis, and C. Hester Vernon, III. Also present: Kevin B. Howard, County Manager, Gwen Y. Vaughn, Finance Officer, and Angela Evans representing The Caswell Messenger. Wanda P. Smith, Clerk to the Board, recorded the minutes.

### MOMENT OF SILENT PRAYER

Chairman Ward opened the meeting with a Moment of Silent Prayer. Chairman Ward asked that everyone remember in prayer Mr. Gary Evans, father of Ms. Angela Evans who is ill and hospitalized.

### APPROVAL OF AGENDA

Commissioner Jefferies moved, seconded by Commissioner Hamlett to approve the agenda as presented. The motion carried unanimously with Commissioner Travis absent.

### DISCUSSION OF FINANCES AND THE CURRENT ECONOMIC CONDITION

Commissioner Hall reported that when he raised the issue of the Finance Committee meeting, it was to talk about the current state of affairs, locally, statewide, and nationally. Commissioner Hall added that the Finance Committee did not meet, but talked briefly, and decided that it would be best for the full Board to discuss these issues. Commissioner Hall noted that there is not a lot that can be done, but felt the Board should be cognizant of what is happening. Commissioner Hall informed the Board that he has asked several questions of the County Manager and Finance Officer over the last week and they have prepared some information. Commissioner Hall stated that he felt that the focus should be on property taxes, property tax collection rate, and sales taxes.

Mr. Kevin Howard, County Manager presented and discussed with the Board the following information which he and the Finance Officer prepared.

(At 6:15 p.m. Commissioner Travis entered the meeting).

# Caswell County Local Government

## Budget Projections FY2008-2009

October 27, 2008

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## Topics for Discussion

- **Current Budget**
  1. *Year-to-date*
  2. *Comparison*
  3. *General Fund Investments*
  4. *Fund Balances*
- **Tax Projections**
  1. *Property Tax Collections*
  2. *Foreclosure Collections*
  3. *Sales Tax Distributions*
- **Spending Reductions**
  1. *Reductions by Departments*
  2. *Account Balances*
  3. *Projections*
- **Strategic Plans**

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## Current Budget

- General Fund – September 2008

*Revenues*            19%

*Expenditures*      23%

- General Fund – September 2007

*Revenues*            14%

*Expenditures*      21%

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## General Fund Investment Balances

- Central Depository

*Fidelity Bank/Checking: \$316,954*

*Fidelity Bank/Money Market: \$828,814*

*NCCMT: \$2,780,734*

*Total: \$3,926,502*

*As of 10/24/2008*

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## General Fund - Fund Balances

- Fiscal year ending 2007

*Unreserved - \$2,218,697 (9.43%)*

*Total FB - \$3,675,579 (15.62%)*

- Fiscal year ending 2008

*Projected to increase by \$600,000+*

*Expect final numbers by November 10 with calculations of reserved and unreserved*

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## Tax Projections

- Budget projection: \$8,998,761
- Property tax rate: 62.9%
- Property tax collection rate: 95.44%
- Property tax collections (YTD): \$2,307,180
- Property tax collections comparison:

*September 2007 17%*

*September 2008 19%*

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## Foreclosure Collections

- YTD Foreclosure collections: \$39,461
- YTD Foreclosure expenses: \$54,948
- Projections for fiscal year:  
*Collections & Expenses - \$130,000*

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## Sales Tax Distributions

- Sales tax distributions for the July and August 2008 were slightly higher than the same time last fiscal year.  
*2007 - \$667,694.25*  
*2008 - \$692,195.31*
- It is recommended to make budget adjustments after the second quarter distribution.

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## Spending Reduction & Forecasts

- The County Manager has instructed Department Heads to review budgets and present a 2%, 3% and 4% reduction in spending.

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## Projected Reductions by Departments

- Initial response from Department Heads show a reduction in spending totaling approximately \$69,500
- Further review and discussions will be needed to clarify cuts.

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## State, Federal, & Other Funding

- Current budget funding sources:
 

County:	\$16,786,612
State/Federal:	\$ 5,804,143
Other:	\$ 210,000
Total:	\$22,800,755
- Appropriated fund balance totals \$219,148
- Total amended budget: \$23,019,148

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## Major Expenses to Monitor

Description	FYE 2008	Jul-Sep 2007	Jul-Sep 2008	Change Over/Under	Percentage Over/Under
Motor Fuel	250,150	44,155	59,523	15,368	34.8%
Utilities	181,402	37,659	38,365	706	1.9%
Fuel	21,060	555	704	149	26.8%
Water/Sewer	46,555	10,750	10,273	(477)	-4.4%
Vehicle Service/Repair	76,405	23,431	24,296	865	3.7%

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## Planning Upcoming Fiscal Year

- Debt Services & Installments

<i>Scism property:</i>	<i>\$184,655 (3 years)</i>
<i>Installments:</i>	<i>\$207,207 (1-2 years)</i>
<i>School Bonds:</i>	<i>North/South (2 years)</i>
	<i>Dillard MS (12 years)</i>

- Special Appropriations
- Public Education Allocations
- Tax Rate Increase/Decrease/Revaluation

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Commissioner Hall stated that the Board needs to have a Contingency Plan and prepare for what may happen in the very near future.

(At 6:40 p.m. Commissioner Hamlett left the meeting).

### UPDATE ON LINC SERVICES

Mr. Kevin Howard, County Manager, provided the Board with an update on LINC Services. Mr. Howard provided the Board with a letter from LINC Services informing them that after their discussion with Dr. Barker, he has indicated that the Board of Education has no plans to close Stoney Creek Elementary School. Mr. Howard informed the Board that the County does not need to co-sign the loan for these services, but the Board of Education would like for the Board of Commissioners to sign a Resolution stating that they will not reduce funding for its utilities costs as a result of the savings realized through this program.

Commissioner Travis stated that he did not see how the County can sign this Resolution with the economy the way it is now.

Chairman Ward stated that it would be beneficial for the County Manager, Commissioners, and possibly Dr. Barker to attend the workshop in Raleigh on energy conservation programs.

After further discussion of this issue, Chairman Ward stated that the Board would consider this issue further at its next meeting.

REQUEST FROM CLERK OF SUPERIOR COURT

Mr. Kevin Howard, County Manager, presented a request from Mr. John Satterfield, Clerk of Superior Court to approve a bid received for the District Attorney’s ground floor office data/phone and upgrade to the Clerk of Superior Court’s office data systems. Mr. Howard reported that the low bid was submitted by Wynn Com in the amount of \$5,700.84, to be paid from Court Facility Fees.

After discussion, Commissioner Hall moved, seconded by Commissioner Jefferies to approve the low bid submitted by Wynn Com in the amount of \$5,700.84 for the District Attorney’s ground floor office data/phone and upgrade to the Clerk of Superior Court’s office data systems, to be appropriated from Court Facilities Fees. The motion carried unanimously.

COMMISSIONER COMMENTS

Commissioner Vernon stated that he recently attended a meeting of the Piedmont Triad Partnership Committee and they discussed the same issues as the Board tonight concerning the current economic status. Commissioner Vernon added that the municipalities were most concerned about sales taxes.

Commissioner Carter stated that recently a new employee of the County went to the Finance Office concerning transferring her 401K and was told by a staff member that they could not do this and she had to go somewhere else to get her 401K transferred to Caswell County. Mr. Howard answered that the County would not handle the transfer of 401K funds, but could give her the information she needed to do so.

THE ADJOURNMENT

At 6:55 p.m. Commissioner Jefferies moved, seconded by Commissioner Vernon to adjourn the meeting. The motion carried unanimously.

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Wanda P. Smith  
Clerk to the Board

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George W. Ward, Jr.  
Chairman

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