

MINUTES – NOVEMBER 3, 2008

The Caswell County Board of Commissioners met in regular session at the Historic Courthouse in Yanceyville, North Carolina at 6:30 p.m. on Monday, November 3, 2008. 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 and Michael R. Ferrell, County Attorney. 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 the family of Mr. Earl Watlington, Jr., who recently passed away. Chairman Ward noted that Mr. Watlington was an employee of the Caswell County Department of Social Services.

APPROVAL OF AGENDA

Chairman Ward stated that he would like to remove Item No. 8, Request by Health Department for Salary Increase and Item No. 11, Discussion of Salary Adjustments for Sheriff's Office from the agenda.

Commissioner Jefferies moved, seconded by Commissioner Travis to approve the agenda as presented, with the removal of Item No. 8, Request by Health Department for Salary Increase and Item No. 11, Discussion of Salary Adjustments for Sheriff's Office. The motion carried unanimously with Commissioner Carter absent.

APPROVAL OF CONSENT AGENDA

Commissioner Travis moved, seconded by Commissioner Hall to approve the Consent Agenda as presented. The motion carried unanimously with Commissioner Carter absent.

The following items were included on the Consent Agenda:

- 1) Approval of Minutes of September 15 and 22, 2008 Meetings

PUBLIC COMMENTS

Chairman Ward opened the floor for public comments.

There were no public comments made.

GOVDEALS: THE ONLINE SURPLUS AUCTION SOLUTION FOR GOVERNMENTS

Ms. Rebecca Murphy with GovDeals came before the Board to provide them information on GovDeals which is an online surplus auction solution for governments. Ms. Murphy provided the following information on GovDeals and demonstrated an online auction.



GovDeals: The Online Surplus Auction Solution for Governments

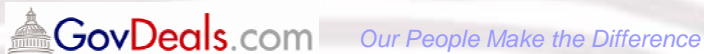
Rebecca Murphy
rmurphy@govdeals.com



Traditional Live Auctions

Typically Held Locally

- Primarily Local Audience (even more so due to gas prices) Reduces Competition
- Limited Audience=Lower Auction Values
- Weather Factors
- Compete with Self on Duplicate Asset
- Potential for Bidder Collusion
- Surplus Must Be At One Location
- Compete With Other Local Auctions and Events





Traditional Live Auctions

Typically Held Annually, Semi-Annually, Quarterly or Monthly

- Delayed Movement of Assets=Loss of Time Value of Money
- Depreciation
- Deterioration
- Storage Area/Facility Required
- Items Often Cannibalized for Parts
- Movement of Assets to Storage and Auction Site=Workers Comp Risk



Traditional Live Auctions

Overhead/Direct Costs

- Auctioneer Percentage
- Buyers Premium
- Overtime for Preparation
- Overtime on Auction Date
- Security
- Advertising Costs





Traditional Live Auction

Overhead/Indirect Costs

- Labor Costs to Move Items To/From Storage
- Storage Facility Cost (Utilities, Rent, Cleaning, Security, Etc.)
- Dedicated Employee Costs
- Money Tied To Unused and Depreciating Assets



GovDeals Online Auctions

Increased Item Exposure

- Large Audience=More Competition=Higher Sell Prices
- Focused Buyers
- International Audience for Obsolete Items
- Diverse and Innovative Audience
- Ability to Sell Unusual and High Value Items
- Items Exposed to Bidders for Extended Time-Frame

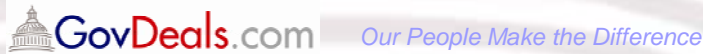




GovDeals Online Auction

Reduced Overhead

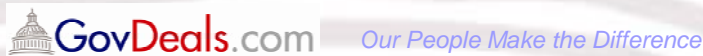
- Storage Requirement Reduced or Eliminated
- Ability To Auction “As Is, Where Is” Reduces Labor Requirements
- No Overtime Since Auctions Occur On Your Schedule
- No Advertising or Upfront Costs
- No Cost for Unsold Items
- Buyer Picks Up or Transports Items



GovDeals Online Auctions

Higher Returns

- Items Auctioned At Maximum Surplus Value
- Items Not Subject To Further Damage, Cannibalization, Deterioration
- No Opportunity For Collusion
- Focused Buyers
- Accelerates Process Of Returning Money for Surplus Property to Budget





GovDeals Bidders

- Have 24/7 Access to Auction Items
- Ability to Easily and Inexpensively Locate Items
- Access to Unusual Items
- Ability to Place Automatic Bids
- Time to Do Research on Items
- Time to Notify Others of Item Availability
- Time to Access Funds
- Time to Make Pick-Up and Storage Arrangements



GovDeals Statistics

- 2005 Total Government Clients
- Over \$200M in Surplus, Abandoned and Confiscated Property Auctioned on GovDeals Since 2001
- Over \$22M Auctioned by NC Governments
- \$6.9M Auctioned in NC in 2008
- 276 NC Clients
- 60 NC County Clients





GovDeals Fees

- 7.5% up to \$100,000 Paid Per Auctioned Item. Reduces to 5.5% of the Next \$400,000 and 3.5% of Item Proceeds in Excess of \$500,000.
- We Bill the First of the Following Month with 30 Day Terms So Fees are Always Paid Out of Auction Proceeds.



(At 6:50 p.m. Commissioner Carter entered the meeting).

Ms. Murphy informed the Board that 61 counties in North Carolina are using Gov Deals and 7,957 items have been auctioned by Gov Deals in North Carolina over the last year. Ms. Murphy stated that GovDeals is non-exclusive and does not require a contract, rather it provides a Simple Sellers Agreement that informs the County of what it will do. Ms. Murphy added that there is no charge to the County unless an item is successfully auctioned and they will bill the County one month after the sale with 30 day terms so that they can be paid from auction proceeds. Ms. Murphy noted that GovDeals is paid at a rate of 7 ½% of the sale.

MATKINS MEAT PROCESSING AGREEMENT

Mr. Michael Ferrell, County Attorney, reviewed and discussed with the Board the Agreement between Caswell County and Matkins Meat Processors, Inc. Mr. Ferrell stated that the Agreement relates to the grant received by Matkins Meat Processors, Inc. in the amount of \$435,700 from the North Carolina Golden Leaf Foundation. Mr. Ferrell gave a brief overview of the specific terms of the Agreement.

Commissioner Hall expressed concerns with maintenance as addressed in Items 6 and 11 of the Agreement and stated that because of the grant, the County needs to specifically put some of the grant requirements in the Agreement. Commissioner Hall also raised concerns about the payment process as noted in Item 8 of the Agreement. Commissioner Hall recommended that the County Manager, County Attorney, and Finance Officer, as well as others, meet with Matkins Meat Processors owners to review the grant requirements and then develop a contract.

Mr. Ferrell stated that he made reference to the grant requirements in the Agreement. Mr. Ferrell added that as far as the Golden Leaf Foundation is concerned, Caswell County is responsible for making sure that this money is used for the purpose for which the grant was given.

Commissioner Hall stated that indicated in the grant Agreement is that these grant dollars will be treated the same as if they were State dollars and, if so, there are a number of rules and laws that would apply.

Chairman Ward stated that he was of the understanding that this grant was only a pass-through of funds for the County, and added that this Board should have been apprised of and a part of the process when the grant was first submitted.

After further discussion, Commissioner Carter moved, seconded by Commissioner Hamlett to approve the Agreement between Caswell County and Matkins Meat Processors, Inc. as presented by the County Attorney. The motion carried by a vote of five to two with Commissioners Hall and Travis voting no.

DISCUSSION OF ENERGY CONSERVATION PROPOSAL BY LINC SERVICES

Mr. Pat Garner, Vice-President, LINC Services, came before the Board to discuss the Energy Conservation Proposal they have prepared for Caswell County Schools. Mr. Brian Hamm and Mr. Bill Mauer of LINC Services were also present. Mr. Garner reported that at LINC Services they are constantly being challenged by its customers to help them become more energy efficient and more operating cost efficient in their facilities. Mr. Garner stated that in the last seven years he has worked with over 100 offices across the country helping them implement energy and cost savings programs like the one proposed for Caswell County Schools. Mr. Garner added that based on that experience and given the current events in the country, he did not feel that there could be a better time than right now to move forward with the program for Caswell County Schools. Mr. Garner noted that this program has worked effectively in hundreds of school districts across the country.

Mr. Garner reported that since the Board's meeting last month LINC Services has worked with Caswell County, the Board of Education and Local Government Commission to provide answers to the questions raised at that meeting. Mr. Garner added that the next step is for the Board of Commissioners to adopt the Local Government Commission Resolution.

Mr. Garner asked that in light of this opportunity to improve education in Caswell County at no additional cost to the taxpayers, if there was anything preventing them from moving forward with this project at this time.

After further discussion, Commissioner Travis moved, seconded by Commissioner Hamlett that the Board of Commissioners not support the Energy Conservation Proposal as presented by LINC Services. The motion carried by a vote of four to three with Commissioners Ward, Carter, and Jefferies voting no.

TAX DIRECTOR'S MONTHLY REPORT

Mr. Thomas Bernard, Tax Director, came before the Board and submitted the following Monthly Report for October, 2008.

Foreclosure Process – All Files

1,622 accounts turned over to Attorney
28 parcels sold
1,012 accounts paid in full
251 accounts entered into payment plan
10 bank attached by county
34 accounts that are leasehold properties
43 entered into bankruptcy
22 in-rem foreclosure procedure
222 files moving forward

The collection rate for the 2007 tax year is 95.43% as of 6/30/2008.

Commissioner Hall asked if any of the 251 accounts entered into a payment plan are for prior years and Mr. Bernard answered that some of these accounts were for prior year taxes.

Upon questioning from Commissioner Hall as to whether taxes could be collected on the 34 accounts that are leasehold properties, Mr. Bernard answered that a lot of these homes are double-wide mobile homes on someone else's property and he would be looking to the mortgage company to try to get these taxes paid.

Mr. Kevin Howard, County Manager, reported that he would like to make a correction in the Report on Foreclosure Collections presented at the Board's October 27, 2008 meeting. Mr. Howard clarified that the \$39,461 that was reported for Foreclosure collections should have been reported as Year to Date Foreclosure Collection Fees. Mr. Howard reported that the amount of foreclosure collections is \$99,720 and \$18,567 in interest owed on taxes. Mr. Bernard stated that \$16,500 has been collected in solid waste fees and \$39,461 has been collected in legal fees.

Commissioner Hall noted that \$39,461 has been collected in foreclosure fees and \$54,948 has been paid to the Foreclosure Attorney, therefore, the County is short by the amount of \$15,000. Commissioner Hamlett clarified that the Foreclosure Attorney has not been paid the \$54,948, rather he has been paid \$43,304.27.

Mr. Bernard clarified that \$174,000 has been collected through the foreclosure process for the period of July 1, 2008 through October 24, 2008, and added that this is not just the foreclosure process, but includes property taxes, solid waste fees associated with those property taxes, fees and interest.

Chairman Ward asked if there was a revolving account established for the tax foreclosure monies and Ms. Gwen Vaughn, Finance Officer, answered that there was not a revolving account established for this purpose.

Ms. Vaughn reported that the expenditure side of the budget for tax foreclosures was reduced, but the revenue side was not. Upon questioning from Commissioner Hamlett, Ms. Vaughn answered that projections for foreclosure collections for the year was budgeted at \$140,000.

After much discussion concerning the budgeting of this process, Commissioner Hall stated that the County needs to follow general basic governmental accounting and be realistic with its budgeting.

RECESS

The Board held a brief recess.

BUDGET AMENDMENT NO. 10

Mr. Kevin B. Howard, County Manager, presented and reviewed Budget Amendment No. 10 for Fiscal Year 2008-2009. After discussion, Commissioner Hamlett moved, seconded by Commissioner Jefferies to approve Budget Amendment No. 10 for Fiscal Year 2008-2009 as presented. The motion carried unanimously.

COUNTY MANAGER'S REPORT

Mr. Kevin B. Howard, County Manager, reported that the Senior Center Project is moving along and there is a Progress Meeting scheduled on November 14, 2008. Upon questioning from Commissioner Hall regarding the completion date, Mr. Howard answered that the Senior Center Project will not be completed by November 30, 2008, but he has not officially received a request for extension.

Mr. Howard reported that he met with Mr. Skip Green, who will be assisting the County in applying for grant funds in addition to the NC Golden Leaf Foundation for the Pelham Industrial Park.

Mr. Howard reported that he will be meeting with e-NC sometime next week concerning the Golden Leaf Broadband Grant.

Mr. Howard reported that he had a meeting with Mr. Lyle Lacy, Danville City Manager, on October 23, 2008, concerning Mr. Ed Carter's waterline request and they are interested in assisting the County in operating the system on a temporary basis. Mr. Howard added that they would be meeting again in the next couple of weeks.

Mr. Howard reported that he made contact with the providers who are leasing space at the Guilford Mills Building and he would be bringing these leases to the Board at its November 17, 2008 meeting. Commissioner Hall questioned who the providers are that are leasing the space at the Guilford Mills Building and Mr. Howard stated that he would get this information for the Board. Commissioner Hall noted that the Mental Health Program statewide is in a state of turmoil.

Mr. Howard reported that he and the County Attorney met with Hayes Iron and Metal representatives last week and he will continue to work on this. Upon questioning from Commissioner Hamlett concerning water quality issues, Mr. Ferrell answered that Caswell County has an Ordinance that requires that scrap iron be a certain distance from a stream. Mr. Ferrell informed the Board of proposed plans by Hayes Iron and Metal and added that he is working with them on resolving issues. Mr. Howard noted that Hayes Iron and Metal has 40 employees.

Chairman Ward directed the County Manager to prepare a spreadsheet on monies collected and paid out in the Tax Foreclosure process.

Mr. Howard reported that the Danville Regional Foundation will be placing a plaque at the Senior Center upon its completion. Mr. Howard stated that the plaque will list the names of the Commissioners who were on the Board when the grant funding was received by the County.

Mr. Howard provided the Board with a memo concerning the purchase of soccer goals for the Caswell County Recreation Department. Mr. Howard stated that he received a phone call from Chairman Ward concerning complaints from parents of the players in the U11 Soccer League. Mr. Howard added that the League is playing at Dillard Middle School because there is not an area large enough at the County Recreation Park. Mr. Howard noted that the soccer field is regulation size, but is too large for the U11 League and the goals are difficult to move for the League and then move back to regulation size. Mr. Howard reported that he talked to Mr. Matthew Sidney with the Recreation Department and he felt that they needed portable goals so they could set up the field to meet the regulations for the U11 League. Mr. Howard stated that Mr. Sidney obtained a price of \$600.00 for the goals, including shipping and handling, and he told him to order the goals so that they could be set up for the next round of games and this was paid from Recreation funds. Mr. Howard noted that the goals are portable and will be moved back to the Recreation Park once the season is over. Commissioner Travis stated that just a few days before this happened, each Commissioner got a call about a \$2,300 expenditure for paving at the Arboretum behind the Courthouse which was approved, and no one on the Board was called about this expenditure of \$600. Mr. Howard clarified that the \$600 expenditure was budgeted in the Recreation Department budget. Commissioner Travis expressed his concern that the Board had already voted to not approve the expenditure for the paving at the Arboretum and they should not have been called about it again. Commissioner Travis stated that he did not like the manner in which these issues were handled. Commissioner Travis added that the problem with the County budget is that line items in the departments are never budgeted realistically and monies are always moved around within the line items.

Commissioner Travis stated that the County spent approximately \$300,000 on the County revaluation and the County did not get its money back. Upon questioning from Commissioner Hamlett, the County Attorney answered that the County, by law, is required to conduct a revaluation every eight years and added that if the market value falls below 85 % to 90%, the County would be required to conduct revaluations within two years. Commissioner Travis stated that the Board needs to review its revaluation process.

ANNOUNCEMENTS

Commissioner Travis reported that a taxpayer contacted him this past Saturday and informed him that when his wife went to vote she saw one of the candidates that is running for County Commissioner come in with two people, sign them up, and help them vote. Commissioner Travis stated that he talked to the County Attorney and he advised him to tell the taxpayer to first file a complaint with the local Board of Elections, and if not satisfied, then with the State Board of Elections.

Commissioner Hall referred to a letter from the Senior Services Director to Ms. Kim Dawkins Berry, Director, Area Agency on Aging, Piedmont Triad Council of Governments, concerning the Pelham Congregate Meal Participation Report and noted that the number of participants is not reaching the minimum standard.

Commissioner Jefferies reported that at one time the County paid mileage expenses for the members of the Caswell County Joint Nursing Home/Adult Care Home Community Advisory Committee to visit nursing homes and questioned why this is not being done now. Mr. Howard answered that he would check on this.

Mr. Howard provided each Board member with a copy of *Assessing the Economic Competitiveness of the Danville, Virginia Region*, which was published by the Danville Regional Foundation.

Ms. Wanda Smith, Clerk to the Board, reminded the Board of its special meeting to be held on Monday, November 10, 2008, at 5:30 p.m. at the EMS Base.

Ms. Smith announced that the Annual Employee Appreciation Luncheon, which is hosted by the Caswell County Board of Commissioners, will be held on Tuesday, December 2, 2008, at 12:00 noon at the Civic Center.

Ms. Smith announced that the dinner for the Caswell County Board of Commissioners to honor out-going Commissioners Hamlett and Vernon will be held on Saturday, November 22, 2008, at 5:30 p.m. at the Lone Star Steak House in Danville Virginia. Ms. Smith added that invitations to the dinner would be extended to the former Commissioners who served on the Board with Commissioners Hamlett and Vernon.

CLOSED SESSION

Commissioner Hamlett moved, seconded by Commissioner Travis that the Board enter into closed session to consider the competence, terms of appointment, and performance of an individual public officer (NCGS 143-318.11(a)(6)).

REGULAR SESSION

Commissioner Hamlett moved, seconded by Commissioner Hall to resume regular session. The motion carried unanimously.

COUNTY MANAGER CONTRACT

Commissioner Carter moved, seconded by Commissioner Jefferies to extend the County Manager's current contract with the County by three years, which would expire in May, 2012, and thereafter, that the term of the County Manager's contract be for a five-year period. The motion carried unanimously.

THE ADJOURNMENT

At 9:25 p.m. Commissioner Hamlett moved, seconded by Commissioner Jefferies to adjourn the meeting. The motion carried unanimously.

Wanda P. Smith
Clerk to the Board

George W. Ward, Jr.
Chairman
