

CASWELL COUNTY BOARD OF COMMISSIONERS
MEMBERS PRESENT

April 28, 2023
OTHERS PRESENT

John Dickerson, Chairman
Tim Yarbrough, Vice Chair
Ethel Gwynn
Finch Holt
Jeremiah Jefferies
Rick McVey
Frank Rose

Bryan Miller, County Manager
Carla Smith, Clerk to the Board
Melissa Williamson, Deputy County Manager
Aisha Gwynn, Assistant County Manager
Jennifer Hammock, Finance Director
Melissa Miller, Deputy Finance Director

The Board of Commissioners for the County of Caswell, North Carolina, met in a budget work session on Friday, April 28, 2023 at 5:30 pm at the Gunn Memorial Library.

WELCOME:

Chairman Dickerson called the meeting to order, and turned it over to the County Manager.

BUDGET WORK SESSION:

County Manager Miller said Commissioners, what we are going to do tonight is very similar to the same exact exercise that we went through last time. In your budget books, you've got a summary of each budget, and after the summary you have a more detailed accounting of what that budget includes.

GENERAL GOVERNMENT:

We will start out with the Governing Body's budget. As you can see we have the summary for the Governing Body, and to be clear the Governing Body is the Board of Commissioners. Then you flip to page two for a more detailed description of what the funds are spent for. Commissioner Yarbrough asked what are we contracting for? It's \$2,000. County Manager Miller said what I will say is professional services/contractual, there are many times going throughout the year that the Board will need to enter into a contract or something other than what we would normally see for our legal expenses, and that helps cover drawing up a contract or whatever the case may be that the Board needs done. Commissioner Rose said that wasn't in the 2023 adopted budget. County Manager Miller said no, it wasn't. Commissioner Holt said why are the salaries going up? County Manager Miller said they didn't for the Governing Body. It was in 2022. County Manager Miller said yes in 2022, the Board voted to increase the salaries for the Governing Body. Deputy Finance Director, Melissa Miller said the \$2,000 was to pay for the minutes. County Manager Miller said so we take the minutes to Raleigh and have them archived in Raleigh ever so often. The Company is called Civic Plus and we had to purchase new books and materials. Those things are not cheap. We had to buy new materials and have those records archived.

April 28, 2023

ADMINISTRATION:

Moving along to page 3, where you have the administration summary. Then on page 4 you have a larger breakdown. Commissioner Yarbrough said a question. I've noticed last week and a couple days this week when it comes to salaries, when you sent these out to departments did you not say maximum increase to ask for. County Manager Miller said no, I didn't give them a maximum increase. Commissioner Yarbrough said the only reason I asked is because when I used to serve on Soil and Water, I know we would go over the budget with the Board. I know there was a couple of years, word came from the Manager not to ask for an increase, and we didn't ask for an increase. I was just wondering if you gave any guidance. County Manager Miller said I did give guidance for this budget. Commissioner Yarbrough said I just noticed there are several different number we've seen percentage wise. County Manager Miller said there are. So my guidance to the departments was because of the inflation rate being 6.5% to include 6.5%. Some you are going to see 10%, some you're going to see 20%. My guidance was 6.5%. Others are going to need or others feel like they need 10%, 20%, 30% to be competitive in the market and to be able to hire and retain employees. Chairman Dickerson asked did you say 6.4% was the inflation rate? County Manager Miller said 6.5%. That was through I think March.

FINANCE:

If you would flip to page 5, you will see finance expenditures or the summary. Then the next page you have the detail. Commissioner Yarbrough said what is the small tools and equipment? I saw it on this one and the previous one for a reduction. What does that entail because it seems like everyone is cutting it out or is this something being moved to another line item? County Manager Miller said no, it's not. Small tools and equipment can be computers, printers, and Deputy Finance Director said just a different version of a supply. County Manager Miller said a hole punch or office supplies. It could be an office chair. Truthfully in Administration and Finance, I think we are covered. What I will tell you is for computers I.T, which we will go over later, our I.T Director has absorbed a lot of those cost in his budget. So maybe you are correct in the assumption that its being moved to a different place. But it is not being moved to a different place in this budget.

Commissioner Rose said the part time salary was cut out. County Manager Miller said that is correct. Commissioner Rose said but the full time salaries went up. So is that a full time position? County Manager Miller said it is. Commissioner Rose asked if it was one, and County Manager Miller said yes, one position moved from part time to full time to fill a vacant position.

Commissioner Jefferies said what is your salary here 17.2% increase. Right, but I thought last year we brought people's salaries up in most departments to pretty much the top. County Manager Miller said so last year you did do a salary study and you voted to do 90% of the minimum. So you're below the bottom. So we are still below the bottom of what we should be paying. We should be paying the minimum and we are only at 90%. So when you see 17.2% change in that salary, what you are actually looking at is the \$26,000 that changed from part time

April 28, 2023

salary going to full time salary. That gives you your 17.2. 6.5% of that is the COLA. Just doing the math pretty quickly, that still puts us below the minimum, but it puts us at 96.5 % of the minimum. So we are still below the minimum of what we should be paying.

Chairman Dickerson asked which full time position absorbed the part time position? The Finance Director said the Finance Technician position. Chairman Dickerson said can you tell us a little bit more about what that was done for? County Manager Miller said we were having a hard time getting applications for finance positions period. So our one of our part-time people decided she would like to assume the role of that full-time job. she applied for it and was hired for it.

TAX DEPARTMENT:

County Manager Miller said so if you're ready to move along to the tax department, it's page seven. You have a tax department summary. Chairman Dickerson asked what is contractual services of \$41,000? County Manager Miller said it's the revaluation. Then Chairman Dickerson asked where does the expenditures for collecting the delinquent taxes by the outside Law Firm that does that figure into this summary? County Manager Miller said if you'll flip over to page eight, it's at Professional Services/Foreclosure under contractual services. Chairman Dickerson said okay, I jumped the gun on that. I will wait until we get to that page. County Manager Miller said so if there are no additional questions on the summary page, we'll turn over to the next page. Page eight.

Commissioner Yarbrough said for Professional Services/Billing, \$31,500 decrease. What does that entail? County Manager Miller said I think that's the reason that we're seeing some of the Professional Services foreclosure increase. I think that some of that is being rerouted into the foreclosure process. The billing for those items. Chairman Dickerson said okay, I'm a little bit lost here. Exactly what is going on where they shifting from one to the other? County Manager Miller said the billing, and Chairman Dickerson said yes. County Manager Miller said so the billing would be shifted from the Tax Office to the foreclosure process. It seems to me, and Commissioners I'm just like you. This is my best guess because I have not spoken to Thomas about this, and it's not included in the information that I have. But my best guess would be that after a tax bill becomes delinquent, the billing for that continues, and that billing is being transferred from the Tax Office to the foreclosure process. Here again about the foreclosure process, the expenditures equal the revenues for the foreclosure process. So if we're paying out ninety-eight thousand dollars, we're receiving ninety-eight thousand dollars. Chairman Dickerson said but how much more is the firm that's doing that collection receiving on top of that? What fees are they charging, and how does that figure into what the taxpayer is going to pay? County Manager Miller said the amount that they can charge is set by the court. So they don't get to arbitrarily increase and decrease their fees, and I can't tell you what that fee is. Chairman Dickerson said I want to see a copy of that before we get into approving any of these. What is being paid out, and not only what the county is entailing. What I want to know is how much extra is being paid out to the firm that's collecting accounts. What are they making off of it? County Manager Miller said okay.

April 28, 2023

Commissioner Yarbrough said I'm guessing or assuming I should say that they needed some legal help back in 2022, but they didn't need any this year and don't think they'll need any next year. They've got zero requested. County Manager Miller said yes.

Chairman Dickerson said the travel reimbursement is up 83%. County Manager Miller said it's up 83% from 2023, and if you'll remember COVID was happening in 23. So there wasn't a lot of travel going on. If you look at 2022, what you'll see is it's actually down \$500 from 2022. COVID was going on in 2022 too. Deputy County Manager Williamson said they may not expend all those funds, it's just what they are requesting.

ELECTIONS:

County Manager Miller said moving on to page nine, Elections.

Chairman Dickerson said let's back up. I remember where I was going with that question on the foreclosure. The county is restricted by law for the fees that they charge to collect and can only bring so much back in, but does that apply to the outside Law Firm that is doing the collection service for the county? I remember seeing a list of what they were charged or charging for what they were doing. It was so much per document. Has that fee structure changed? County Manager Miller said that fee structure is set by courts, and whether or not it's changed or not I can't tell you whether the courts have increased it or decreased it. What I can tell you is its set by the courts, and they can't charge any more than what the court allows. Chairman Dickerson said so you will have all that in there, and County Manager Miller said yes, we will.

County Manager Miller said so election summary on page nine. Commissioner Rose asked about maintenance and repair. Last year we adopted \$7,800 and this year they are requesting \$18,000. County Manager Miller said they're replacing all their curb side equipment and signage. Chairman Dickerson said when we get to the approval process, I'd like to know more about that equipment. The Commissioner was right by picking up on a 130% increase that's still coming up to over ten thousand dollars extra. Commissioner Holt said it is kind of vague. Deputy County Manager Williamson said in his overview like Aisha was pointing out, he also is asking for nine portable toilets on Election Day too. County Manager Miller said okay. Then asked the Commissioners how much detail would you like? Chairman Dickerson said enough to know what we are approving. Just upgrade of curb side equipment doesn't explain ten thousand dollars. County Manager Miller said unfortunately the Elections Director isn't here this evening.

Chairman Dickerson said I noticed on the expenditures the retirement, why is 22% versus 6.2% for salaries. Why did retirement increase that much? County Manager Miller asked the Finance Director, do you have an answer. Jennifer Hammock said the current rate for retirement is 12.16% and the retirement rate is going up to 12.85%. Deputy County Manager Williamson said they are requesting a full-time office worker while retaining part-time for that full-timer. That would make the retirement rate go up. Chairman Dickerson said in risk of opening up a can of worms that I probably shouldn't touch with a ten-foot pole. I don't see anything in here about porta johns. County Manager Miller said he is requesting I think it's nine porta johns on the

April 28, 2023

election or through the election cycle or on Election Day. So that that is part of his request. Deputy County Manager Williamson said it's on page like 12 of the budget development summary. County Manager Miller said they don't have that material. We'll make sure we get some things typed up and have those for you at your next meeting. Chairman Dickerson said there's another column with a 50% increase for other equipment. What does that entail? Would you rather wait and have him come back and explain all this? County Manager Miller said well to be honest with you, yes. Chairman Dickerson said okay. That would be fine. Chairman Dickerson said I don't want to be raking you all over the coals trying to answer someone else's questions.

REGISTER OF DEEDS:

County Manager Miller said moving along to page 11, Register of Deeds summary. Chairman Dickerson said again the increases kind of stick out when they're higher than the rest of them. What is contractual services for the Register of Deeds? There is a 15% increase. County Manager Miller said so I think you're going to see Contractual Services increase not in every budget but quite a few budgets. Jennifer Hammock said there's an email from Ava in the back. The Courthouse computer systems fee is increasing. County Manager Miller said the Courthouse computer system fee is increasing. Jennifer Hammock said that's the only contractor they have. Commissioner Holt asked if that was an overlap of the whole thing that John Satterfield was talking about? County Manager Miller said no, that is totally separate. The Register of Deeds office, they have specialized software to where they can ... Jennifer Hammock said electronically record deeds, deeds of trust, and cancellation notices. They can pull birth certificates, manage licenses, and death certificates, and that has to be linked through North Carolina. So it's completely separate from anything upstairs. County Manager Miller said it has nothing to do with AOC.

I.T.:

County Manager Miller said moving on to page 14, I.T. We do have our I.T. Director here. Commissioner Yarbrough said the reductions on the contractual services in capital outlay, is lot of that's being shifted into supplies and expenses? I.T. Director, Jason Benson said that's correct. Commissioner Yarbrough said capital outlay would include what? County Manager Miller said last year it included computers, but this year computers have been moved to small tools and equipment. Commissioner Yarbrough said you mean supplies? I don't see a small tools and equipment. County Manager Miller said well if you... Commissioner Yarbrough said okay. I got it on the second page.

Commissioner Holt said salaries show a 20% increase. Is that what he is asking for? County Manager Miller said that's how much they're asking for as an increase. We're having issues attracting qualified candidates in those positions primarily because of salaries. Most of the candidates we're receiving are not qualified, and the ones that are, when they find out the salary for the position, they won't even return the phone call. We've had one return a phone call. The

one that returned the phone call, Jason set up an interview. They called and canceled the interview. Jason tried to reschedule and they wouldn't reschedule.

Chairman Dickerson asked how many positions are in the I.T. Department? County Manager Miller said currently we have three. Only two of those positions are filled. Jason Benson, our IT Director, has spent the last three weeks probably going through the National Guard having a Cyber Security Vulnerability Assessment. One of the things that has been noted several times in their assessment is that to do things the way it should be done; they're probably going to need another position. So what we would like to do I think is wait and get the formal report from the National Guard. He and I discussed it first, and then after we discuss it if it's still possible, we'll bring it before the Board. But we're really looking forward to receiving the cyber security assessment results. I think that's a huge step forward for us. Many of you may know what Person County has gone through and what other Counties have gone through with ransomware. This cost some of them a lot of money in just equipment. It's costs a lot of them in data, and it's cost a lot of them in money because there have been some that are paid. Chairman Dickerson said what have we learned from their experience and the money they have spent? What needs to be done on our end? Is it as beneficial as hiring another positions or waiting on a report? County Manager Miller said waiting on the report. Chairman Dickerson said I'm sure that somebody's already looked at that mousetrap and figured out a way around it. They bailed themselves out. Can we benefit from all the money that they spent without having to do the same thing? County Manager Miller said well I think first of all they have larger staffs. Is that correct? Jason Benson said I guess is it probably would be. To begin with, and there's certain vulnerabilities that everybody has. It's managing those vulnerabilities the way you need to, making sure the patches are correct, make sure updates are done the way they're supposed to be, and making sure your firewalls are in place and operating correctly. I know Jason's cringing with the way with the way that I'm explaining this. Jason said it's probably more about resiliency than it is prevention because there's always new holes being opened up. There's always new hackers trying to get into stuff. So things are going to happen. People are going to get viruses. It's going to be computer problems to deal with. We have to have the resiliency. We have to have our data backed up so if something happens, we have it here. We don't have to worry about dealing with some hacker that has our stuff. We can pull away. We'll start with the backups that we have. A lot of what the National Guard is pointing out here is vulnerabilities that need to be corrected in a pretty quick time frame to get our resiliency where it needs to be, and it's like a continual thing of constantly upgrading systems when they go end of life and making sure that the factors are where they need to be. It's a constant battle. It's practically a full-time job of and in itself.

Chairman Dickerson asked was this one of the departments that got a substantial amount of off-budget money approved for computer upgrades? County Manager Miller said no. Chairman Dickerson said not on this Board, but the prior Board last time around. They didn't get any money. They weren't appropriated any money? Jason said no, I don't think so. County Manager Miller said it was approved during the budget process. Chairman Dickerson said when an off-

budget allocation is made in addition to what was approved in the budget process, how does that show up in our paperwork that we're going to be seeing. The budget requests. County Manager Miller said it usually shows up as amended. It definitely shows up as a budget amendment throughout the year. We're happy to put together a list of all the budget amendments and get those to you. Chairman Dickerson said I'd like to see that because what I want to know going forward or before we start talking about all this is if they had an adopted budget in 2022 or 2023, well I'll say 2023, and you're asking for a certain amount for 2024. I want to know that amount that they've received prior. How much is in the budget? how much was given to them by a special appropriation after the fact. County Manager Miller said okay. Thank you Jason.

MAINTENANCE:

County Manager Miller said moving on to Maintenance/County Buildings summary. Commissioner Yarbrough said okay, what are they talking about in Capital Outlay? County Manager Miller said okay. I'm glad you asked. So the Historic Courthouse ceiling and walls having those redone upstairs and in the hallways, Probation and Section 8 tree removal, Guilford Mills building to repair the exterior (a lot of the exterior of the Guilford Mills building), Section 8 Housing remove trees, windows, and doors at Section 8. Chairman Dickerson said that's rolled into one Capital Outlay? County Manager Miller said yes, that's all rolled into one Capital Outlay number. Chairman Dickerson said what about by individual project? What is like Section 8? What does it cost? County Manager Miller said so the Correction Center it's \$7,400, for Section 8 it's \$12,842. Chairman Dickerson asked Mr. Miller to slow down. Commissioner Rose asked what was the first one? \$7,400 that was for the Correction Center. Caswell County Community Correction Center. Then Section 8 is \$12,842 for windows and doors. Caswell County Parks and Rec roof replacement and decking repair comes in at \$4,300. Commissioner Rose said what's that on? County Manager Miller said Parks and Rec. Commissioner Holt said roofing repairs on the gym? County Manager Miller said the picnic shelter. So then you have estimates for the Historic Courthouse, Parks and Rec, and the library for asphalt. Then the Commissioners asked about the Historic Courthouse ceilings and walls. County Manager Miller said okay so the walls are in really bad disrepair. If you look at both of the stairwells and you're starting to see cracks on the interior of the courtroom upstairs. So the Historic Courthouse ceilings and walls, he's got it broken out. It's about \$28,250 dollars. Commissioner Rose asked is that an estimate. Is that his estimate? County Manager Miller said no, that's a quote. Commissioner Holt asked what did they talk about doing? County Manager Miller passed the quote and plan details to Commissioner Holt for the Historic Courthouse repairs. Then County Manager Miller said as I mentioned before, the total for the asphalt is roughly \$145,000. That's for the Historic Courthouse, Parks and Rec, and the library. Chairman Dickerson asked what are they doing over here at the library? You said asphalt. Are they repaving the whole thing? Are they patching? County Manager Miller said no, they're just repaving the portion that wasn't paved during the project. Chairman Dickerson asked where is that here? County Manager Miller said just right out here. Right outside this door. That part was not repaved. County Manager

Miller said so now moving along to the largest one, and that's the old jail. It's \$186,300.

Commissioner Rose asked what page is that on? County Manager Miller said that's not. That's a project. Commissioner Yarbrough asked what's the plans there? County Manager Miller said the plans are to break down the old jail, to remove any hazardous material, and to level it out. You'll see there's the file for it. You can see in the file we have some serious issues with the old jail. It constantly floods, nobody uses it, it's becoming a safety hazard for us. So just looking at the pictures you can tell that there's some real problems. Commissioner Rose asked how much was the amount on that? County Manager Miller said \$186,300. Commissioner Rose asked if that was D.H. Griffin, and County Manager Miller said it is D.H. Griffin. Commissioner Rose said did they knock off anything for the amount of metal that's in that building? County Manager Miller said we spoke about that, and that was my understanding. Yes. Chairman Dickerson asked what is the ultimate end game for the old jail building after the rebuild? County Manager Miller said we're not talking about rebuilding it. We're talking about tearing it down and green fielding or brown fielding it. Just make it to where the jail isn't there anymore, and it's just land.

Chairman Dickerson said so that's completely just demolition and take out. Commissioner Gwynn asked how old is that old jail? County Manager Miller said I have no idea. I know many of the reasons that they built the new jail was because of the issues that they were seeing in the old jail, and that's been at least 10 or 11 years ago that that project was complete. Commissioner Gwynn said so it is not at an age to be a historical site? County Manager Miller said no.

Commissioner Yarbrough said I believe that jail was built when Bobby Poteat was Sheriff. Commissioner Jefferies asked if the spring was still in there? Water just be coming up in the bottom of it. County Manager Miller said we do have some water coming up in spots from the bottom, but we've also had some piping problems and some leaks. It's pretty bad.

Commissioner Holt asked who's in charge of this as far as lining up what is done? County Manager Miller said the Maintenance Director. Commissioner Holt said all he's talking about doing is skimming at \$75 an hour anything that to the best of their ability. They talking about like when it fell out. This is not fixing the plaster that's come loose. That's not how that kind of repair has to be done. I've done this for a living. So this is a joke. We don't need to go this route here. County Manager Miller said well we do have another person coming in this coming week to reevaluate that, and he and I have spoken about that. They're going to give us or supposed to give us a better idea of what we need. Commissioner Holt said you've got to climb up there, and you've got to actually push on it and find out if it has come loose from the lab. What he's talking about doing is scraping off the lead paint and skimming it with sheetrock mud.

Chairman Dickerson said what is the increase on household cleaning? County Manager Miller said yes, cleaning supplies are through the roof. Commissioner Holt said what page. I done got sidetracked. The County Manager said page 17. Deputy County Manager said it may be some of the vehicle supplies in that line item, and the County Manager said no. Commissioner Rose said the only thing I would like to see that's why I asked about D. H. Griffin because they've got the amounts of all the work listed for \$186,300. They're not saying how much money they're

April 28, 2023

allowing us for materials they can recycle. County Manager Miller said I understand. Commissioner Rose said so I mean I have no problems with the price. But I would like to see what they're actually charging and what they're saying that they're giving us the what's in it because it is a substantial amount of stuff in there. I think when we looked at it, not when we looked at it I was not on the Board, but when he looked at it years ago he turned it down. They have looked at some companies that came in and they bid on it but turned it down. Basically put in the bid that they would tear it down for this amount because they offset how much they were going to get from the material. Now I know you got tests run with the asbestos and all of that, so that does require some cost. Commissioner Holt said every building I had D. H. Griffin tear down for me was a flat price. Whatever they got out of it was their bank. That was part of their price because they knew they would salvage this much steel and this much whatever. Keeping track of that would be very difficult. Commissioner Rose said so I guess I'm looking at it from an aspect of just like you said with the upstairs at the courthouse. I mean you kind of want to know an idea of what it's for. I have no problem with what he said \$250,000. I just want to know that they allowed us this much money for the materials in it. Just a ballpark figure. Commissioner Rose asked are we still paying insurance on that building? County Manager Miller said so that's not really the way our insurance works. It is because we own it. We have to own it. If somebody got hurt there and we didn't have insurance for that, but we don't pay insurance on a per building. Commissioner Holt asked is it attached to another building? County Manager Miller said I don't think it's attached to another building, but there are there are infrastructure items that run through and are shared by multiple buildings. Chairman Dickerson asked how many companies bid on that project? Was D. H. Griffin the only one? County Manager Miller said I think so. Chairman Dickerson asked was it advertised? County Manager Miller said no, that's a process that we would have to go through before just trying to get a price to put in a budget. Chairman Dickerson said I would like to see what another outfit would say about it. It has a recycling content to it that makes it more financially attractive for companies to come after. I know when Dan River Mills was torn down, they had groups out there chipping mortar off of bricks sending them back because they were so old. It came out of the number five soap structure. You can't find trees hardly any more. I know it's nothing like that in the building, but all the metal and whatever else is there. Maybe we could get a better price if somebody else came and looked at it. County Manager Miller said well we'd definitely have to go through that process to do a project of that size. So it's something that we would do.

Chairman Dickerson said utility, water, and sewer \$8,500 to \$15,000. What caused that to jump like that? County Manager Miller said utilities, water, and sewer. So I'm being told it's water testing at the Pelham Industrial Park. Commissioner Yarbrough said performed by who? County Manager Miller said it's one of the water testing companies. Commissioner Yarbrough said have they been doing it in the past? County Manager Miller said they have been doing it in the past, but we've seen rates increase by basically all of our vendors. Chairman Dickerson said was that what Bill Carter used to do some of for the county? County Manager Miller said well he used to

do the sampling. So he didn't do the testing. That's the expensive part really. He would send the samples off to a company that performs the water test, and then we get the results back.

Commissioner Holt said so we're getting water from Danville, but then we turn around and sell it to people in Pelham industrial Park. So where are the water funds going in from if we're selling the water? County Manager Miller said into the general fund. The revenues go into the general fund. Deputy Finance Director Miller said Pace Analytical and County Manager Miller said Pace Analytical, that's who does our water testing. Chairman Dickerson said so as these things increase do we automatically add those on to the rates and keep on paying in that Park to cover these fees. County Manager Miller said as a general rule, you set the fees on a yearly basis, and that's one of the things you'll do as you go through the budgeting process. Commissioner Holt said so we need to keep up with how much we're paying Danville, and how much all this testing and all of those cost us. Then we need to go back and see what we're actually making. In the past have we made anything? County Manager Miller said no. So just from a historical perspective, the 86 water line resurrect was ran specifically for North Elementary. North Elementary is the only, I think I'm right about that, entity on that line. We run it specifically for them. What that causes is a lot of times with low usage, you have to jettison a lot of the water through the hydrants. I mean that's water we're still paying for. So it's not a money-making proposition whatsoever. It was put in specifically to provide water to North Elementary. Chairman Dickerson said and usage affects the rate. We have to use it in school, but can we have other people tie into that line there. I know that the nursery up there tried to tie into a water line up there, and there was a big dilemma over that for a long time. County Manager Miller said yeah so talking about old wounds. The water pressure at that point on that line is not high enough according to the engineer that we had study it for that water to be potable at that point in the line. So what I was told by the engineer was that first of all there would be no pressure on that line. They would have to install equipment on their land separately to build up enough pressure for them to get a drip out of a water hose. Chairman Dickerson said but yet we have... I'm more confused. I'm not trying to be hard to get along with. It's probably a simple explanation of this, but in my mind you're saying that they have to flush the excess water out of a fire hydrant. County Manager Miller said I get it. Chairman Dickerson said but closer to the source, the pressure is not high enough to tap into it. County Manager Miller said so I get it. I asked the exact same questions, and it has to do with elevation. It has to do with elevation that that intersection is at, and it has to do with the elevation that occurs at North Elementary. Commissioner Gwynn said help me understand. It's just North Elementary on that? County Manager Miller said yes. So Yanceyville has run a line all the way up to North as well. The Board entertained a couple years ago of just turning that water line over to Yanceyville. I don't know if the Board voted to do that, if Yanceyville would take it. But there were some discussions about that, and the Board voted no that they didn't want to proceed with that. That's what I know about the line. Chairman Dickerson said so in short, there's no way to utilize all the water that we're pumping out of the hydrant from that line. County Manager Miller said no. Yanceyville ran the line to North, connected it, and they've got a pump station there. They see very little usage on the line. They ran up there as well. One of the things that I've asked

April 28, 2023

our County Planner and our Environmental Health folks to do is look at the resources that are available through the State and Federal ARPA fund dollars that's specifically for water and wastewater projects and to see if there's a way that we can get people to or incentivize people to hook up to those lines so we don't have those kind of issues. Chairman Dickerson said well anybody can see the hand right on the wall. That whole area through there with that Casino coming in will see some kind of incoming development, and they're going to need water. I didn't mean to side track the conversation. Commissioner Holt said a pump station will take care of that. The whole Water Tower. You said Pelham, I was thinking over there where the rest stop is. Isn't that considered Pelham. What is that? County Manager Miller said it is. Commissioner Holt said so when the conversation started I was in a different area. I thought you were selling it to those industrial buildings. County Manager Miller said we do. So we have two water systems. One is the 86 water system, and one is the Pelham water system. so the Pelham water system at the Industrial Park, we have a water tower. We have a pump station that's maintained by maintenance, and we sell to two businesses: the Welcome Center and to Norac and still have to drain water off. Commissioner Holt said it's there if somebody wants to buy it or put something in. We've got that. County Manager Miller said that's correct. Commissioner Holt said so what will need to happen over on 86. Commissioner Gwynn said well over in Pelham would a hotel or something like that that was just built, would it be enough water for them to use? County Manager Miller said oh absolutely. Our contract with Danville allows us up to a hundred thousand gallons a day and maybe as much as a half million gallons a day.

HEALTH BUILDING AND WELCOME CENTER:

County Manager Miller said moving along page 19, you'll see the Health Building/Welcome Center summary. The expenditures the fiscal year 24 Department Request is \$26,060 but that should be \$24,060 with a 0% increase. Commissioner Yarbrough said repeat that. County Manager Miller said so expenditures on the summary page should be flat. It should be zero in all columns. So there's one column that increased by \$2,000, that should be zero. Commissioner Rose said question. So that should be \$24,060. County Manager Miller said that's right. Commissioner Gwynn said so the change would be 0%, and County Manager Miller said yes. Commissioner Yarbrough said I understand the Welcome Center, but why is the health building treated differently from other buildings. Why is it itemized? County Manager Miller said a lot of the building that we have because of the nature of the services they offer, they're able to recoup certain costs through their annual budgeting cycle. They're actually able to claim those costs for reimbursement and it helps with that.

FLEET MANAGEMENT:

County Manager Miller said so moving along to page 21, Fleet Management summary. That's just \$2,000 to handle unforeseen maintenance problems with our fleet vehicles.

CENTRAL SERVICES:

County Manager Miller said Central Services summary on page 22.

April 28, 2023

Commissioner Holt said are we going to get a list of the fleet? County Manager Miller said yes. Do you want Fleet or do you want all vehicles? Chairman Dickerson said can we have it broken down with both, and County Manager Miller said we can. The only thing that I would hesitate is fleet vehicles are vehicles we lease. The other vehicles are vehicles we own. Commissioner Holt said yes break it down. County Manager Miller said the only vehicles that we will not be able to provide are undercover vehicles for our Sheriff's Office. Chairman Dickerson said you and I have spoken before. We all going to get a copy of that take home? County Manager Miller said yes. Chairman Dickerson said the policy and who's driving them home. County Manager Miller said yes.

Commissioner Yarbrough said I'm going to show my ignorance again. What is Central Services? County Manager Miller said that's our hidden department. That's a department or it's not a department, but it's services that benefit everybody and all departments within the county or that are should be shared revenue or shared expenses. So for instance contractual Services. You can see our audit is listed under contractual services, health insurance for retirees, unemployment compensation, Aflac, service maintenance contracts on our finance system and on our tax departments are also included in that, our bonds, our liability insurance, background checks, news and subscriptions to the NCACC, to the UNC School of Government, so on and so forth. Commissioner Yarbrough said that's the reason I asked. I didn't know. A commissioner asked about specific events or special events. County Manager Miller said so some of those events are events that we'll put on. The county departments will put on for awareness of something that's occurring or whatever it may be. \$5,000 of that is specifically for the Fourth of July fireworks show. So the county pays I think \$5,000, the Town pays \$5,000, and then we have local residents that pick up the remaining tab.

DEBT SERVICES:

County Manager Miller said so next you'll see our debt service summary on page 24. Commissioner Yarbrough said for those of us like myself who may not know why we have such a big increase in interest for the school payment, can you explain that? Interest went up by 104% County Manager Miller said yeah. Hold on for a minute. So the way that our general obligation bonds are paid out, the debt service is usually higher at the beginning or the interest is usually higher at the beginning, and then falls throughout the course of the year. Our first payment for the library is not due until June 30th. The school is not due until June 30th. The interest payment is going to be much lower, and then the next year we start to see those high values. Then it decreases looking at the amortization schedule over the 30-year term of the loan. Commissioner Yarbrough said I know every amortization schedule I saw, it's like your stated, the interest is always higher at the beginning. You've got equal payments, but you're paying more interest in the beginning of the loan than you are at the end of a life. County Manager Miller said right. Commissioner Yarbrough said like our principal at the end, I just wondered why it was an increase in the interest from last year. County Manager Miller said well we closed on the loan when. Commissioner Holt said is it part of the year, and County Manager Miller said it is. We

April 28, 2023

closed on the loan, it hasn't been that long ago. Maybe December. Commissioner Holt said okay so the reason it was lower last year was it was a part of the year. Commissioner Yarbrough said this is going to be a full year of interest payments. County Manager Miller and Finance Director Hammock said yes. Commissioner Holt asked was there bond money for this? County Manager Miller said yes, there was a bond. There was a referendum held, the voters voted to build a school, we issued general obligation bonds to do the project, and we ended up issuing those and borrowing the money from USDA. It's a 30-year loan. The interest rate was an incredibly low interest rate. I think two percent or something like that. Commissioner Holt asked so how does that work. Does that bill go to the tax payer each year? Is it like something extra on their tax bill? County Manager Miller said no, it's just payments. We used our full faith and credit to back the loan from the USDA. So we repay that. Commissioner Rose said where does the money come from? County Manager Miller said from our general fund or from taxes. From revenue. Commissioner Holt said were there extra taxes when the voters voted on it as a bond? I always thought they voted a certain amount. County Manager Miller said well honestly they approved about a seven cent tax increase. I don't believe we'll see anything close to that. Commissioner Holt said it's not broke down on their tax. County Manager Miller said no, it's not. Chairman Dickerson said on the Debt Service/Detention principal and interest. I know that during the COVID times, the amount of inmates that they were housing and making money off of the Federal Government told that for a few obvious reason that they couldn't bring them in. Has that bounced back enough to where the jail is now looking at being in the revenue neutral. I mean when that was first built, that was an old root law about how it was going to be a cash cow. I know we talked about this before, and then last time I brought it up COVID numbers were said to be suppressing it. Are we even close now? County Manager Miller said no. So what I'll tell you though is our expenses are always going to outweigh our revenues in the jail. It's a matter of how much we want to pay. So do we want to pay to ship our inmates out and make those payments to other facilities. the last time I ran the calculations, it was a half million dollars cheaper for us to run the jail and lose the amount of money than it was for us to ship our inmates out and have them housed elsewhere. So that's a great discussion for the Sheriff. I'm sure the Sheriff would love to talk to you about those things.

SPECIAL SEPARATIONS:

County Manager Miller said special separations on page 25. So all you're going to have is a summary page. This is just special separation allowance that goes to our retired law enforcement officers. Chairman Dickerson asked what's the 36% increase? County Manager Miller asked Jennifer Hammock did we have another? County Manager Miller said we've had several people retiring and have started receiving those benefits. Chairman Dickerson asked so those kind of benefits aren't paid like a regular contribution or retirement plan that's only incurred once the employee retires? County Manager Miller said this is a special separation. It's different than a retirement plan. So LGERS are a little bit different. No, LEOs are a little bit different, Law Enforcement Officers. LGERS are Local Government Employees. LEOs are handled differently

April 28, 2023

because of the nature of their job. They're given extra retirement. One of which is a special separation allowance that they receive, I believe, until they're 65 years old. Is that right Frank? Commissioner Rose said 62. County Manager Miller said 62 years old. Chairman Dickerson said I understand that part. Commissioner Rose said NC mandated it. It made a statement that Counties have to provide that special separation along with retirement. Chairman Dickerson said I understand that part. What I'm asking is that we have a 36% increase going from \$109 to \$149. If we have more and more officers that are aging out and retiring, should we be planning for these expenses in advance and not waiting until we incur them? County Manager Miller said I mean if that's what the Board wants to do, then that's perfectly fine. Chairman Dickerson asked what does that look like going forward? I know I've heard a lot of talk about a bunch of them are retire now, but are we fixing to see a ticking time bomb here? County Manager Miller said well it depends. I don't foresee that. You got a lot of them retiring, but you've probably got a lot of them coming off that schedule as well. So the ones that have been on there for a while that are turning 62 are now falling off that schedule. So it's kind of like a revolving clock. Chairman Dickerson asked so when it's says salaries and expenditures we get an overall ballpark here, but it's not like the other pages we've seen. How many officers are drawing that? What is that adding up to? How does it break down? County Manager Miller said it's 12. Are there any more questions?

PARKS AND RECREATION:

County Manager Miller said moving along to page 26. Parks and Rec. Chairman Dickerson said the permits and fees went up. What do you attribute that to? County Manager Miller said so they're seeing record numbers in participation at Parks and Rec. They've had more kids sign up recently than they ever have before in their programs. As a general rule the children pay to participate in Parks and Rec. Chairman Dickerson asked what are other services that saw a 56% increase? Finance Director Hammock said they doubled their amount they requested for the printing and reproductions. I don't know if that's flyers. I'm not 100% sure on that. It includes fees and subscriptions and the rental on the copier. Chairman Dickerson asked are those flyers designed to bring more folks in, and they've already got a 245 increase in participation fees. It looks like they've already got the word out without all that. County Manager Miller said yes, they're doing a really good job.

Commissioner Gwynn asked how many employees are there in Parks and Rec? I know it's probably some part time and some full time. County Manager Miller said three full-time employees. Chairman Dickerson asked what is the new part time position for? County Manager Miller said the new part-time position is for a grounds assistant to help with just maintenance of the grounds, facilities and grounds. Commissioner Yarbrough said they have 2 part time positions. County Manager Miller said yes, they'll also help with games, practices, buildings and ground, maintenance, field maintenance, tennis court maintenance, so on and so forth.

Commissioner Holt asked about uniforms. County Manager Miller said for the last eight or nine years we have as part of the registration fee. Commissioner Holt said it was always up to the

April 28, 2023

coach to find a sponsor. Finance Director Hammock said if someone offers to sponsor, they will. Deputy County Manager Miller said when her child played the shirt was included in the registration. Finance Director Hammock said last year when they did baseball, there weren't really any sponsors. So they had shirts made that on the back said Parks and Rec. Commissioner Rose asked what was the fee now? Finance Director Hammock said \$35 per child. You get a discount if you have more than one kid. Commissioner Holt said they used to cover the pants, shirt, everything. Even the belt. Finance Director Hammock said the ball team that my child is on this year at the Rec, their team coach is sponsoring them. So they still have to pay the registration fee, but the coach is having his business name put on the shirts. He's handling all that, and then there's other two other teams that are not sponsored. Commissioner Rose asked are they given those pants and all, or do they keep the pants and all at the end of the year. I know when my son played they kept them. Finance Director Hammock said they are not providing pants. They only provide the shirts, the hats, and I think the socks. Commissioner Rose said the things they don't want back. Finance Director Hammock said we buy the pants and cleats.

FARMER LAKE:

County Manager Miller said if there are no more questions, we'll move along to Farmers Lake. We have our Lake Warden with us today. He's sit through everything today and waited to be last. We Appreciate You Charlie. Charlie King, Lake Warden said I don't get off until 7:00 pm. County Manager Miller said that's what we were shooting for. Any questions about Farmer Lake. Chairman Dickerson asked how many employees. Mr. King said just me. County Manager Miller said he has several part-time employees. Mr. king said one. County Manager Miller said just one now. Then the commissioners asked about Capital Outlay. Mr. King said I am going to build a boat shelter that floats. The one we got is stationary. When the lake goes up we have to climb under the boat shelter to get the boat out. It will be like a car shed, but it floats. When the water goes up, the shed goes up. Commissioner Rose asked about the fee for stickers, and Charlie King said \$45. County Manager Miller said Charlie just out of curiosity, who's building that boat shed for you? Mr. King said the Wildlife. County Manager Miller said okay. That's what I'd hoped. Chairman Dickerson said the salary increase requested was 9.2%, but the benefits went up 27%. What was the cause of it being so far off? County Manager Miller said are you looking under the FICA and Retirement? Chairman Dickerson said no I'm just looking the first page. County Manager Miller said the summary page. Chairman Dickerson said it went up 27% versus the 95 in salary. Finance Director Hammock said I think that is a typo. County Manager Miller said we will take a look at that. Finance Director Hammock said it should be...County Manager Miller said honestly Commissioners, what I can tell you is we weren't finished putting this budget book together until four o'clock today. So a lot of works put into this. We're using different methods than we have before. They're working really, really good, but we don't have a lot of time to proof them. So that's one of those cases. Usually where those corrections would be made is as we go through the budget and I provide my manager's recommendation, a lot of those corrections will be made. Finance Director Hammock said that

April 28, 2023

should only be... That number for retirement should actually only be \$5,598. So that is an error. County Manager Miller said yeah. I've got it marked, and we'll check into that Mr. Chairman.

County Manager Miller said so Commissioners, that's all the new information that we have for you tonight. What I'd ask is, you had the information that you were given last week, you've had it for a week, and you've had time to look over it, are there any questions about last week's information that we can answer for you? Here again, if not this isn't going to be the last time we talk about it. We'll talk about it later on as well.

Commissioner Rose said I had asked Jennifer about the new library stuff. Finance Director Hammock said I was supposed to do a correction on their salaries. Commissioner Rose said there was a lot of stuff on that, and those numbers just didn't add up. Finance Director Hammock said I need to talk to Haley.

A **motion** was made at 7:07 pm by Commissioner Jefferies and seconded by Commissioner Gwynn and **carried unanimously** to adjourn the meeting. (Ayes: Commissioners Holt, Gwynn, Yarbrough, Jefferies, McVey, Rose, and Dickerson)

The next budget work session is scheduled for May 5, 2023 at 9:00 am at the Gunn Memorial Library.

Carla R. Smith
Clerk to the Board

John Dickerson
Chairman

April 28, 2023