

CASWELL COUNTY BOARD OF COMMISSIONERS

Work Session

May 5, 2025

MEMBERS PRESENT

Tim Yarbrough, Chair
Frank Rose, Vice Chair
Finch Holt
Greg Ingram
Tony Smith
Brian Totten

OTHERS PRESENT

Scott Whitaker, County Manager
Melissa Williamson, Deputy County Mgr.
Russell Johnston, County Attorney
Renee Paschal, Interim County Mgr.

The Board of Commissioners for the County of Caswell, North Carolina met in a Work Session meeting scheduled on Monday, May 5, 2025 at 5:00 pm at the Historic Courthouse, Courthouse Square, Yanceyville NC.

Welcome:

Chairman Yarbrough called the meeting to order. All were invited to pause for a moment of Silent Prayer and to recite the Pledge of Allegiance.

Public Comments:

Phil Barfield, resident of Caswell County, commented on the proposed Sheriff's Training Facility and Firing Range. He expressed concern regarding the noise level and increased cost of the proposal. He asked for several stipulations if the Board approved the request:

- Use of the facility would be limited to Caswell County Sheriff personnel
- The facility would be designed for noise reduction
- Limit live firing to two times a month
- Limit the hours of live fire from 9 am – 9 pm
- Obtain a permit in keeping with the Unified Development Ordinance
- Require a public hearing and commissioner approval if any changes were made
- Have a probationary period of two years.

Chip Atwater, resident of Caswell County, was opposed to the proposed training facility. He concurred with Mr. Barfield's comments. He expressed concern about the noise level since he resided close to the landfill. He was also concerned about the impact on his property value.

Landon Woods, business owner in Caswell County, thanked law enforcement for their support. He thanked the Board for tax incentives for the current businesses he and his family owned. He committed to continuing to hire local residents of Caswell County.

Recognitions:

Commissioner Smith welcomed the new County Manager, Scott Whitaker.

Agenda:

A motion was made by Commissioner Smith and seconded by Vice Chair Rose to approve the Work Session agenda. The motion carried unanimously.

Presentations:

Presentation of FY 2022-2023 Audit

Allen Thompson representing Thompson, Price, Scott, Adams & Co., P.A. presented the FY 2022-2023 audit and their findings.

Mr. Thompson stated that many of the findings were similar to earlier findings. The response back to the State will be similar since there has not enough time to catch things up. The goal would be to have the report to LGC in the month of July and come back to the Board in August or September. He highlighted the following issues regarding the audit:

“Various key processes were not completed timely, particularly during year-end closing (i.e. line item review, revenue and expenditure postings, reconciliation to subsidiary ledgers). These are key finance functions that should be completed to ensure that balances are appropriately reflected in the general ledger. The finance staff should become more proactive in posting required year-end adjustments. At year-end, efforts should be made to ensure that all receivables and payables are accurately reflected.

Recent changes were made in several key finance staff positions. As a result of these changes, the County contracted with a third-party CPA firm to assist in performing several key reconciling functions. In addition, a consultant associated with the League of Municipalities is also assisting the County catch up.

The EMS receivable balances as well as the allowance should be reviewed and adjusted throughout the year to give an accurate reflection of billings and collections for EMS billings. Additionally, the transition in billing companies has hindered collection of old balances, so those balances remain on the balance sheet as receivables until board action is taken to write those old balances off. This was mentioned in the previous year’s letter to governance as well.

Efforts should be made to ensure that all negative fund balances are cleared up, and that all projects that have been completed are closed on the general ledger.

The County needs to review the depreciation schedule and prepare a list of assets that has been disposed or is no longer in service throughout the year as opposed to waiting to year end to prepare.

If transfers between funds are recorded, there should be available budget to reflect those transfers. Additionally, budget amendments should be recorded prior to expended funds (see Finding 2023-004).

The County has one outstanding loan associated with the Revolving Loan Fund that is in arrears. Management needs to review these agreements and determine if these loans are collectible. Amended agreements may be needed between the County and the businesses to attempt to collect these funds.

Prior period adjustments were recorded to correct mis-postings from prior years. Details are provided in the notes as Finding 2023-003.

The County did not adopt a budget for several new funds and did not make budget amendments as needed throughout the year to cover expenses (see Finding 2023-004 and 2023-005). Additionally, our testing noted instances where the pre-audit procedures were not properly followed.

Adequate documentation was not obtained throughout the year to substantiate all transactions recorded for the year (see Finding 2023-006). Additionally, there were daily revenue collections that could not be traced to the general ledger or bank statement.

Two departments (Register of Deed and Inspections/Planning) were noted for not complying with the daily deposit general statutes. Collections in excess of \$500 shall be deposited daily (see Finding 2023- 009).

Board approval was not obtained for tax releases and refunds (see Finding 2023-008), there was also one budget amendment in our sample of five that was missing board approval. Additionally, it was noted that the County has no formal policy for the journal entry review and approval process.

The County did not withhold FICA on retirement contributions (see Finding 2023-010).

The County's checks did not have the required pre-audit verbiage on the face of the check (see Finding 2023-011)."

Although some of the items may come off the June 2024 report, the goal is for most of the items to come off for the June 2025 audit. Staff will have to prepare a response back to the LGC and the Board will have to read and sign off in 60 days from the meeting.

Commissioner Smith noted that the investment earnings increased significantly from 2022-23. Mr. Thompson responded that it was an interest rate factor.

Vice Chair Rose asked for clarity on whether staff has corrected the problem from one year to the next even though it does not show up. Mr. Thompson concurred and stated that hopefully findings would decrease in 2024 and further decrease for year end in 2025. He added that you cannot correct something that happened in the past. There should be less findings for 2024.

Commissioner Smith asked about the four departments that overspent their budgets. He asked if it was poor budgeting or unanticipated expenses. Mr. Thompson responded that poor management throughout the process was the cause. Budget amendments were not made.

Deputy Manager Williamson interjected that the overspending (Sheriff and Emergency Management) resulted from a change in Gatsby standards on lease accounting. That was not anticipated when the budget was built. The new accounting standards were not clearly understood. On the receivables, when the County built the high school, a significant amount of the lottery funds were not drawn down timely and that was the biggest receivable that was sitting on the books in June 2023 that has since been collected. That will restore the fund balance up to its previous level. She added that the State requires that the funds be set aside in a restricted fund balance. It should be corrected in 2024.

A motion was made by Commissioner Smith and seconded by Commissioner Ingram to accept the Audit Report. The motion carried unanimously.

Presentation on Construction of Training Facility and Firing Range

Sheriff Durden requested land for a training facility and firing range at the landfill. Detective Clayton Myers, Firing Range Instructor and Assistant Training Coordinator, facilitated the discussion. Detective Myers stated that the request was to bring the Sheriff's staff up to standards. He noted that landfills were where most law enforcement firing ranges were located.

Vice Chair Rose asked about the decibel readings. He asked why the readings were higher than before. Detective Myers replied that he was not sure why the readings were higher. The first reading took place in August when there was foliage on the trees. The second reading took place in November with the County Planner. Detective Myers added that there were 12 shooters the second time and every caliber of firearm was fired.

Planning Director Jason Watlington commented on the decibel readings. He noted that the readings were taken on October 13th on a clear day with winds 6-7 ENE. The first reading was taken at the landfill beside Mr. Atwater's property line. There were 12 shots from each weapon fired. The 9mm were at 53.9 decibels, the 12-gauge shotgun was 48.1 decibels, and the patrol rifle was 50.6.

Detective Myers took readings from the landfill on August 2nd during normal operations. No shots were fired. The maximum decibel reading was 92 and a continuous reading of 54.4.

Commissioner Ingram asked if everyday noise and travel was much higher than firing the 12 weapons. Mr. Watlington noted that he went to North Hills and could not get a decibel reading from the 12-gauge shotgun due to traffic noise. He could not hear the shotgun due to the traffic and was unable to get a reading.

Detective Myers stated that the berms requirement was 10 ft, and the Sheriff's Office proposed going 18 ft (which exceeded the minimum) to encapsulate sound. They would also plant shrubbery to help absorb the sound.

Vice Chair Rose asked if the facility would be for Caswell County law enforcement only, and if outside agencies were allowed, if their insurance would cover them. Sheriff Durden responded in the affirmative. He added that when they use other facilities, they are covered by Caswell County's insurance. Vice Chair Rose stated that it would be good for the County to be a good partner with other agencies. Vice Chair Rose also questioned whether there would be a cap on the \$40/hour paid to Mr. Harris. Sheriff Durden stated that there would be a 40 hour/week cap. Sheriff Durden also clarified that the facility could be used for additional training opportunities and hopefully become a facility that the County could be proud of.

Commissioner Totten expressed concern regarding safety. Sheriff Durden stated that the County Ordinance will govern the parameters of the firing range. There must be a 2000 ft. buffer. The facility is parallel to the highway.

Commissioner Smith posed questions regarding the cost of the project. He asked for clarification. Sheriff Durden responded that the Department was not requesting any funding. The only thing that would cost at this time were the land and berm. The buildings may have to come later. Monies will be used from the asset forfeiture funds.

Presentation of the FY 2025-2026 Recommended Budget

Interim Manager Paschal disclosed that the recommended budget was hers and not the recommendation of the new Manager. She noted that Caswell County employees were some of the best that she has worked with during her 32-year career. She stated that employees were Caswell County's best asset and every effort should be made to keep them. Caswell County spends 43 percent less overall than counties the same size. The proposed budget absorbs the health insurance increase as well as provides a 1.5 percent increase and funds a pay study. The County loses talented staff to other jurisdictions that pay more than Caswell County. She added that it was important to have the study to ensure adequate salaries and improve morale. The proposed average salary increase in North Carolina this year is 3.1 percent.

Overall, expenditures in the budget increased \$12,996.00. This was accomplished by realigning dollars. At the same time, revenue declined by \$643,000. Interim Manager Paschal recommended a 3-cent increase in property tax to offset the deficit. This will bring the tax rate to 61.5 cents per \$100 valuation and still below the average for comparable counties in the state.

Fees paid to the county to house state and federal inmates is likely to decline about \$300,000 because the inmates are being displaced by local inmates. The appropriated fund balance declined by \$724,791 because Public Health has been overly reliant on fund balance in previous years. Intergovernmental revenues declined by \$374,000 due to Public Health no longer receiving COVID funds. Investment earnings are expected to be reduced by \$125,000. Interest rates have fallen. Permits and fees declined by nearly \$100,000, and transfers in declined by \$580,000 because the County no longer has AARP funding to offset County expenses. Several fee adjustments are also proposed in EMS, Solid Waste, Public Health, and Parks and Recreation.

A major change is proposed in the Solid Waste fee. The proposed new fee is \$125 for all residents and businesses. Currently, only outside residents pay \$125 per year.

Significant expenditure increases in the General Fund include salary increases in the amount of \$788,897. Funds were realigned and \$406,607 of this amount resulted from eliminating the vacancy allowance. Several positions were not budgeted in FY 2025. Benefits increased in the amount of \$264,002. Debt service increased \$331,172 to fund ambulances, ambulance remount, UHF paging system upgrade and leased replacement vehicles.

The Sheriff and EMS will overspend their budgets. Vacancies are filled with overtime which is more costly than a regular position. There is huge backlog of Sheriff vehicles that need to be replaced.

Interim Manager Paschal reiterated that the budget realigned funds between departments. More detail will be provided at the retreat. The budget addressed Commissioners' goals including economic development. A budget public hearing will be held on May 19 at 6:30. Manager Whitaker proposed May 28 from 8:00 am – 5:00 pm and June 2 from 1:00 – 5:00 pm. Interim Manager Paschal thanked the Board for the opportunity to work with Caswell County and applauded the employees.

Discussion Items:

Agreement with Caswell County Tourism Authority

Manager Whitaker outlined the agreement. The Caswell County Tourism Development Authority (CCTDA) was established to promote travel and tourism as a public authority under the Local Government Budget and Fiscal Control Act. The Caswell County

Finance Officer shall be the ex officio finance officer of the CCTDA. The CCTDA desires for the County to serve as the fiscal agent for the Authority.

The County Attorney has not reviewed the agreement. Pending his review, a final agreement will be presented for the Board's approval at its May 19, 2025 meeting.

Discussion of Co-Square Facility Rental Policy and Fees

Manager Whitaker introduced the item. Co-Square staff has received inquiries regarding renting the facility for events. Currently, there is no policy or fee structure for the facility to host event rentals to increase revenue. Staff recommends adopting a policy and fee schedule for event rentals.

Events must be held after normal working hours, to avoid conflict with the business use of the building. The policy would outline acceptable and nonacceptable uses. Management would be allowed to hire security through the Sheriff's Department. Additional security camera research will take place and be installed prior to event rental. The policy and fee schedule will be placed on the May 19, 2025 agenda for action.

Commissioner Smith encouraged the Manager to look at how funds are accounted for at Co-Square.

Commissioner Ingram inquired about the overseer for the event center. Interim Manager Paschal replied that two employees staff Co-Square. There would be no staffing for event rental. Setup would be provided, and an access code would be provided for entrance into the facility.

Vice Chair Rose asked if the parties would be responsible for paying for security. Manager Whitaker replied that the parties would be responsible.

Action Items:

Appointment of Scott Whitaker as Caswell County Clerk to the Board

Commissioner Smith made a motion seconded by Commissioner Totten to approve the appointment of Scott Whitaker as Caswell County Clerk to the Board. The motion carried unanimously. Chairman Yarbrough administered the oath of County Clerk to the Board to Mr. Whitaker.

Approval of Contract with BioClean Restoration Inc. to Renovate the Agricultural Building Kitchen

Manager Whitaker stated that the FY2025 budget included \$49,500 to renovate the Agriculture Building kitchen. The Maintenance Director has received bids for the project. The low bid was submitted by BioClean for \$38,742.56. The County Attorney drafted a contract with BioClean. Board approval is necessary since the contract exceeds \$25,000.

A motion was made by Vice Chair Rose and seconded by Commissioner Ingram to approve the contract with BioClean Restoration, Inc, to renovate the Agriculture Building Kitchen in the amount of \$38,742.56. The motion carried unanimously.

Approval of Resolution and Agreement with JEB International (Cherokee Tobacco) for Economic Development Incentives

County Attorney Johnston facilitated the discussion. Cherokee's attorney presented proposed revisions to the contract last week. Attorney Johnston presented a revised document to the Board in relation to the economic incentives for Cherokee. Cherokee is still required to make an investment of \$14,250,000; create 39 new full-time jobs in Caswell County, and the maximum amount of cash tax rebate incentives that they can receive is \$291,768.75.

State law requires that when a County enters into an economic incentive agreement with a company, certain statutory provisions are required such as an indication that the company will increase the tax base or create jobs in the County.

Attorney Johnston noted that the revisions he presented to the Board were located on the first five pages of the contract. One of the more important changes is the company will be known as Cherokee Tobacco Company but the parent company is Firebird Manufacturing Company LLC. If the company moves forward with the approval, the Board will need to approve the resolution and economic development agreement with Cherokee Tobacco Company aka Firebird Manufacturing Company LLC.

Commissioner Holt questioned the 39 jobs. Attorney Johnston stated that the job target and investment target have changed since the Board began considering the project. The final numbers came in March. The company felt they could meet the 39 job target as well as the capital investment. Attorney Johnston will look into the County's incentive policy to clarify that it is a 5-year plan.

Commissioner Smith clarified that it is a 5-year plan. He added that the jobs decreased from 53 to 39; however, the investment increased from \$10 million to \$14 million.

A motion was made by Commissioner Ingram seconded by Commissioner Totten to approve the Resolution Approving Economic Development for Cherokee Tobacco Company aka Firebird Manufacturing Company LLC with the revisions. The motion carried. Commissioner Holt voted No.

Approval of Resolution and Agreement with Revision Solar for Economic Development Incentives

Manager Whitaker stated that Revision Solar LLC currently operates in Caswell County on a family farm. They employ 18 people and maintains solar farms from Pennsylvania to Georgia. The company is requesting economic development incentives.

The company provided the following information in relation to the incentive policy which qualify it for Level 3 incentives:

- The project will create 5 additional jobs (18 points)
- The company will pay an average wage equal to or greater than the county average of \$45,278 (10 points)
- The company provides paid vacation (2 points)
- The projected investment is between \$250,001 and \$500,000 (23 points)
- The company's headquarters is located in Caswell County Caswell County (7 points)
- The company is an existing Caswell County business (5 points)

The company has provided information that estimated tax increase will be \$7300. The cash incentive estimate is \$4,387. They indicated a range of investment from \$250,000 - \$500,000.

Attorney Johnston clarified that the resolution will obligate Revision Solar to create 5 additional full-time jobs; invest at a minimum \$251,000 and the maximum cash incentives is capped at \$8,775.

Commissioner Smith questioned how the jobs would be monitored. Manager Whitaker responded that the company would present numbers to the County. The company would receive reimbursement if the job numbers are met and taxes are paid. The incentive would be a rebate on property tax.

A motion was made by Vice Chair Rose seconded by Commissioner Ingram to approve the resolution and agreement for economic development incentives for Revision Solar Company LLC. The motion carried unanimously.

Approval of Revision to FY26 Budget Calendar to Set Dates for Budget Work Sessions

Manager Whitaker recommended amending the dates of the May 28th Budget Work Session from 8:00 am – 5:00 pm and if needed, June 2 from 1:00 pm – 5:00 pm in the Library.

A motion was made by Vice Chair Rose and seconded by Commissioner Smith to approve the amended budget calendar. The motion carried unanimously.

Motion to Accept the Resignation of Commissioner Rick McVey

Chairman Yarbrough acknowledged the Letter of Resignation that each Board member received.

A motion was made by Commissioner Ingram and seconded by Vice Chair Rose to accept the resignation of Commissioner Rick McVey. The motion carried unanimously.

Chairman Yarbrough stated that he would be contacting the County Republican Party in writing to request a recommendation to fill the vacant seat as outlined in the General Statutes. The Statute now states that the recommended individual by that party will fill the vacant seat. Commissioner McVey resigned April 25th. Attorney Johnston noted that the end of the paragraph in G.S. 153A-27.1(d) states that "...the person recommended by the county executive committee of the political party of which the commissioner being replaced was a member, if the party makes a recommendation within 30 days of the occurrence of the vacancy." The Board will then have 30 days to make the appointment.

County Attorney Updates:

County Attorney Johnston updated the Board on a pending tax foreclosure matter for property located at 2851 Wagonwheel Road. The most recent upset bid was \$18,000. The last day for the next upset bid is May 8th, and the minimum amount of the next bid is \$18,900.

Commissioner Comments:

Commissioner Smith spoke about priorities for the County. He acknowledged that good progress was being made with the audits and asked the Manager to continue with the progress. Regarding economic development, two companies were approved for incentives to locate in Caswell County. He also spoke about an analysis of lease vs. purchase on vehicles. He would like to review that subject again.

Commissioner Holt questioned the timing of the replacement of Commissioner McVey and now the process will be put off for 60 days. Chairman Yarbrough indicated that he was following the law.

County Manager Updates:

Manager Whitaker was working on acclimation, and a priority was to hire key personnel. He asked Interim Manager Paschal to speak about the lease agreement for Co-Square. Ms. Paschal stated that the Arts Council leased space at no cost for an exhibit during the month of April. They would like to extend the lease thru the end of May. There is someone who is interested in a paid lease for the suite. If a paying tenant becomes available, the Arts Council would have to vacate the space. The Board concurred with the agreement.

A motion was made by Commissioner Ingram and seconded by Commissioner Totten to extend the rental agreement until the end of May unless a paying tenant becomes available. The motion carried unanimously.

Chairman Yarbrough acknowledged that Mother's Day was on Sunday.

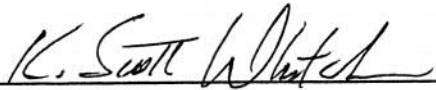
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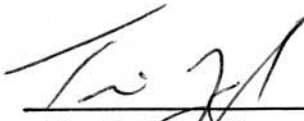
Commissioner Smith made a motion, seconded by Vice Chair Rose, to adjourn to Closed Session to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, and to consider and give instructions to attorney concerning the handling of a claim, which privilege is hereby acknowledged NCGS 143-318.11(a)(3). The motion carried unanimously.

Adjournment:

Commissioner ^{Smith} moved, seconded by Commissioner ^{Rose}, to adjourn the meeting. The motion carried unanimously, and the meeting was adjourned at pm. 6:50 pm.

Respectfully submitted,


 Scott Whitaker
 Clerk to the Board


 Tim Yarbrough
 Board Chair