

Windsor, North Carolina
June 5, 2017
WORK SESSION

The Bertie County Board of Commissioners met for their regularly scheduled meeting inside the Commissioners Room at 106 Dundee Street, Windsor, NC. The following members were present or absent:

Present: Ronald “Ron” Wesson, District I
Stewart White, District II
Tammy A. Lee, District III
John Trent, District IV
Ernestine (Byrd) Bazemore, District V

Absent: None

Staff Present: County Manager Scott Sauer
Clerk to the Board Sarah S. Tinkham
County Attorney Lloyd Smith
Finance Officer William Roberson

OPEN SESSION

Upon the beginning of the Work Session, Chairman Trent called for a motion for the Board to go into Closed Session per the published agenda.

Commissioner Wesson made a **MOTION** to go into Closed Session pursuant to N.C.G.S. § 143-318.11(a)(3) to go into closed session to consult with the County Attorney in order to preserve the attorney-client privilege that exists between the attorney and this public body. Vice Chairman Bazemore **SECONDED** the motion. The **MOTION PASSED** unanimously.

County Manager Sauer briefly outlined his budget message that will also be formally presented to the public during today’s regular meeting at 4:00 PM.

First, County Manager Sauer directed the Board to a handout he just distributed that compares the FY2016-2017 approved budget ordinance for the General Fund, and the proposed FY2017-2018 budget ordinance General Fund.

In particular, he brought attention to the “Transfers from School Capital Reserve” line item which he further explained as a County tracking device. He noted that when the County was completing the appropriate loan documents for the new high school that this is the required structure to use in regards to the County budget. As such, the number in this particular line item is had to be “rolled into” the General Fund Revenues line item which can inflate the final number listed.

So, for additional clarity, County Manager Sauer noted that Transfers from School Capital Reserve line item was listed at \$2,343,346 for the approved FY2016-2017 budget, whereas in the proposed 2017-2018 budget, the number has increase by 4.55% to \$2,511,647.

Second, the County Manager addressed the Capital Reserve Fund that was projected for FY2015-2016, and compared this number with the County auditor's report received at the end of that fiscal year. The County projected, estimated remaining balance in the Capital Reserve Fund for FY2015-2016 was \$353,811. In contrast, the auditor's report for that same year reported the Capital Reserve Fund at \$370,128 which was better than projected, "which is critically important because what we don't budget, and what you don't see as a line item is the reimbursement that the federal government gives us every year for the interest on that high school loan which is \$700,000+, and we hope that Congress will continue to support and keep that."

He cautioned that anytime the federal government is reaching the end of September without an approved budget, the possibility of sequestration increases, and that particular reimbursement the County receives is reviewed to address potential cost savings.

As the County Manager and Finance Officer draft the proposed budgets each year, this is an item that is in the forefront of the County's mind, and preparations are made either way, but thus far, this current process has worked in the County's favor.

County Manager Sauer and Finance Officer William Roberson fielded various questions from the Board about the Capital Reserve and the debt service.

Third, the County Manager began discussing the County's fund balance beginning with balance sheets from FY ending June 30, 2016. The County ended the year with \$6,380,863. When comparing that with the total, combined fund balance, the amount reported was \$6,848,268.

"Our best speculation, or crystal ball, when all is said and done this fiscal year, even with this pinch we've had with the flood events, we think we're going to be to the positive by a couple hundred thousand."

He explained several caveats that could impact the overall number some in a positive or negative direction, as the Board has committed to several projects over the current fiscal year.

Fourth, there was short discussion among the Board before the County Manager continued to the "Transfers to Other Funds" items for debt services regarding the Department of Social Services (DSS).

County Manager Sauer that the Social Service's administrative team "tightly manages" the finances for DSS, and as far as he had observed, this is still the case under the new DSS Director, Cindy Perry.

Mr. Sauer stated that it was estimated that DSS would receive an additional \$500,000 in gain due to the dedication and diligent efforts by the DSS Administrative staff to secure reimbursement

for indirect costs. Mr. Sauer commended the DSS Administrative staff and the Finance Officer for their strong attention to detail to their assigned budget.

Commissioner Wesson asked about the funding being proposed for Kindergarten slots in Bertie through DSS. After a brief discussion, the County Manager stated that we could address that item at the Board's budget work session on Thursday.

Fifth, County Manager Sauer discussed the County Sales Tax Article 44. Due to the uncertainty of where that amount would fall this fiscal year, the budgeted amount of \$0 was allotted. Thus far, he reported that the County had received a little over \$400,000. He stated that "we're projecting \$606,565 for next fiscal year, so that's new money that was not budgeted this fiscal year that you've got to work with for various projects.

Sixth, he addressed the Medicaid Reimbursement that was budgeted for the current fiscal year which was \$402,632, with about half of that being received by the County thus far at \$212,152. The County Manager recommended that the budget reflect \$0 in projected budget for next year as there are so much uncertainty moving forward in the General Assembly.

Seventh, County Manager Sauer briefly discussed the "bread and butter" items including the Landfill Host Fees, Emergency Medical Services, and Non-Emergency Transport.

Eighth, the Board discussed the Bertie County Health Department budgeted amount of \$96,000 which has been budgeted consistently over the past few years. He discussed that with the new leadership now at the Albemarle Regional Health System, Mr. Battle Betts, an opportunity has arisen to realign the Environment Health Unit to make it consistent across the Board.

At this time, Bertie is the only County in the health system that houses the Environment Health Inspector inside the County Administration building.

Mr. Sauer stated that a verbal agreement was made to keep the current structure of housing an Environmental Health Inspector in the County Administration, but in return, the County would have to discontinue the required reimbursement being received from Albemarle Regional Health Services to cover various overhead costs such as copying and printing services, cell phone fees, clerical support, etc. which would amount to \$9,600.

This would be the most ideal option for the County as it keeps the same arrangements in place for ease and convenience of the public.

[Discussed FEMA spreadsheet – separate hand out – Arnab, EMS Station Aulander, etc.]

At this time, the County Manager gave the Board the opportunity to revisit a brief Closed Session to finish up the conversations held earlier during this work session.

Vice Chairman Bazemore made a **MOTION** to go back into Closed Session. Commissioner Wesson **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Lee made a **MOTION** to approve the Closed Session minutes dated 1-3-17 and 1-31-17 as amended per Board discussion with the County Attorney. Commissioner Wesson **SECONDED** the motion. The **MOTION PASSED** unanimously.

At this time, Chairman Trent called for a 15 minutes recess before the Board's regular meeting at 4:00PM in the same location.

John Trent, Chairman

Sarah S. Tinkham, Clerk to the Board