

**COLUMBUS COUNTY BOARD OF COMMISSIONERS
BUDGET WORKSHOP (Third)
Tuesday, June 15, 2004
8:00 A.M.**

The Honorable Columbus County Commissioners met on the above stated date and at the above stated time in the Columbus County Administration Building, Economic Development Conference Room, 111 Washington Street, Whiteville, North Carolina, for the purpose of holding the third Budget Workshop.

COMMISSIONERS PRESENT:

Bill Memory, **Chairman**
David L. Dutton, Jr., **Vice Chairman**
Kipling Godwin
Sammie Jacobs
Amon E. McKenzie
Lynwood Norris
C.E. "Gene" Wilson

APPOINTEES PRESENT:

Billy Joe Farmer, **County Administrator**
Darren L. Currie, **Assistant County Administrator**
James E. Hill, Jr., **County Attorney**
June B. Hall, **Clerk to Board**
Gayle B. Godwin, **Finance Officer**

MEETING CALLED TO ORDER:

At 8:05 A.M., Chairman Bill Memory called the Budget Workshop to order and stated the purpose of this workshop was to decide how the water system financing was going to be handled for Columbus County Water and Sewer Districts II and III. Chairman Memory turned the meeting over to James E. Hill, Jr., Columbus County Attorney.

LEGALITIES REGARDING FINANCING for COLUMBUS COUNTY WATER and SEWER DISTRICTS II and III:

James E. Hill, Jr., Columbus County Attorney, stated the following regarding the legalities of financing the principal and interest on Columbus County Water and Sewer Districts II and III:

1. After reading an article published in the News Reporter regarding the placement of a two hundred forty and 00/100 (\$240.00) dollars Assessment Fee to the benefited users in Columbus County Water and Sewer Districts II and III, I researched this matter.
2. In accordance with N.C.G.S. §162B-92 and §153, you can only apply a Special Assessment before construction has begun.
3. You cannot place an Assessment Fee on the benefitted users once the infrastructure is in the ground.
4. The proposed Assessment Fee is not a viable legal option to do.
5. After the June 7, 2004 Board of Commissioners' Meeting, I contacted Mr. Richard Whisnant of the North Carolina Institute of Government concerning these issues. Mr. Whisnant independently researched the matter and came to the conclusion that an assessment at this time (repayment of an existing debt) is not legally possible and clearly it is not enforceable.
6. In addition, Professor Whisnant contacted David L. Lawrence, a long-time professor at the Institute, who, after conducting his own research, came to the same conclusion.
7. You can either tax the districts for the repayment of the debt and for operation and maintenance cost or not tax it at all.
8. Anything short of a direct tax on the tax bill for the upcoming year, and passed in this year's budget on all property within the district is not legally enforceable as a lien on property and amounts to only an open account which has no measure of enforcement.

Commissioner Godwin asked Mr. Hill if you could utilize the concept of improving the water systems by financial status as an avenue for the Assessment Fee. Mr. Hill replied stating no you could not.

Robert Adams, private citizen, asked if the tax to be levied for repayment of the debt that was placed on the voter ballot was illegal. Mr. Hill replied stating no it was not.

James E. Hill, Jr., Columbus County Attorney, stated that a tax would entail all people within the said district and an Assessment Fee would only entail the benefitted users.

Chairman Memory asked Mr. Hill what options do we have in this situation. Mr. Hill replied stating you have only two (2) options to choose from and they are: to levy a tax or enforce mandatory hookup.

Commissioner McKenzie asked if two (2) additional people had been hired for installing taps only and there were some problems in the Public Utilities Office that needed to be addressed.

ALTERNATE SOLUTION SUBMITTED by COMMISSIONER McKENZIE:

Commissioner McKenzie stated he did not think we had given the people adequate time to hookup to the system and this was needed before any other decision was made. I have met with the Town of Boardman and they want to come off our water system due to bad water quality and low pressure.

TAX LEVY AMOUNT DISCUSSION:

Chairman Memory asked Billy Joe Farmer, County Administrator, if he knew what the amount of the tax levy would be if this method was chosen and we need an average water usage study done. Mr. Farmer replied stating the following:

Water District II	(Approximately \$.15 to \$.16) to cover the Debt Service for the Principal and Interest
Water District III	(Approximately \$.11) to cover the Debt Service for the Principal and Interest

Discussion was conducted regarding the fluctuation of the amount of this tax and the length of its existence. A suggestion was made by Commissioner Godwin to keep the tax at a steady rate and lower the water bill.

After additional discussion was conducted, it was stated this tax would need to be done on a year-to-year basis.

Commissioner Godwin asked James E. Hill, Jr., Columbus County Attorney, if there was any liability involved for Columbus County for the areas where the water lines did not run if this tax was levied. Mr. Hill replied stating no there was not.

RESULTS of STRAW POLL VOTE on LEAVING WATER SYSTEMS as they are now WITH NO ASSESSMENT, WAIT ONE (1) YEAR and THEN SEE WHERE WE ARE:

A straw poll vote was taken on the issue of leaving the water systems as they are now with no assessment and waiting one (1) year to give the citizens the opportunity to hook up, and then see where we stand, at that time. The results of the vote were as follows:

AYES: Commissioner McKenzie

NAYS: Chairman Memory, Vice Chairman Dutton, Commissioners Wilson, Norris, Jacobs and Godwin.

RESULTS of STRAW POLL VOTE on LEVYING TAX of APPROXIMATELY \$.15 for WATER DISTRICT II and \$.11 for WATER DISTRICT III:

A straw poll vote was taken on the issue of levying a tax to pay the principal and interest indebtedness of approximately \$.15 for Water District II and \$.11 for Water District III. The results of the vote were as follows:

AYES: Chairman Memory, Vice Chairman Dutton, Commissioners Wilson, Norris, Jacobs and Godwin

NAYS: Commissioner McKenzie.

Commissioner Wilson recommended cutting the Operations and Maintenance at the Public

Utilities Office by twenty (20%) percent

SALARY INCREASES for COUNTY EMPLOYEES:

Billy Joe Farmer, County Administrator, stated Chris May with the Cape Fear Council of Governments had performed a study on salaries for county employees utilizing Robeson, Columbus, Bladen and Pender Counties. Mr. Farmer stated we could not put everyone to the midpoint this year. It would be one-half (1/2) this year, without a tax increase, and one-half (1/2) next year. The amount of money we used was five (5%) percent of the entire salaries' fund.

ITEMS of DISCUSSION by COMMISSIONER DAVID L. DUTTON, JR.:

Item #1: Exemption for Solid Waste Fees for Farmers and Businesses Utilizing Commercial Haulers:

I would like to know the status of the exemption for the Solid Waste Fees for farmers and small businesses who are utilizing commercial haulers. Mr. Farmer replied stating Chuck A. Stanley has prepared the exemption language and the amendment allowing for this would be on the June 21, 2004 Agenda.

Item #2: Salary Increase for Ronnie Hayes, Emergency Services Director, of \$2,000.00:

I have recommended we give Ronnie Hayes, Emergency Services Director, a two thousand and 00/100 (\$2,000.00) dollars salary increase to compensate for the placement of Jerry Avery, Fire Marshal, under his supervision, and I would like the Board to vote on this issue.

A straw poll vote was taken with the following results:

AYES: Chairman Memory, Vice-Chairman Dutton, Commissioners McKenzie, Wilson, Jacobs, Norris and Godwin

NAYS: None

ITEM of DISCUSSION by COMMISSIONER AMON E. McKENZIE:

Compensation for Jennifer Long:

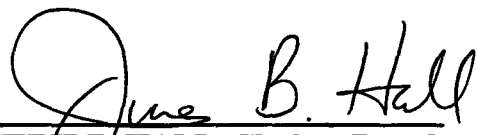
I have recommended that the Board grant some type of compensation to Jennifer Long in Economic Development for the extra workload she experienced after Phyllis Owens left and James Hinkle came on board. Ms. Long did a wonderful job and she deserves some type of compensation.

REQUEST SUBMITTED by SHERIFF BATTEN:

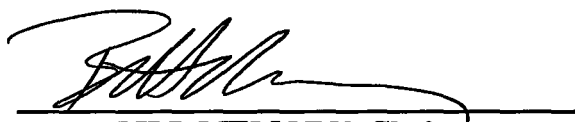
Sheriff Chris Batten stated he wanted to be included in all meetings, discussions, etc. that took place pertaining to the jail.

ADJOURNMENT:

At 9:35 A.M., Chairman Memory stated this Budget Workshop was adjourned.



JUNE B. HALL, Clerk to Board

APPROVED:


BILL MEMORY, Chairman