

August 17, 2005
Special Session

The Martin County Board of Commissioners met in Special Session on Wednesday, August 17, 2005 at 7:00 p.m. in the Board Room of the Martin County Governmental Center, 305 East Main Street, Williamston, North Carolina.

ASSEMBLY

Chairman C. Mort Hurst, Vice Chairman Tommy W. Bowen, Commissioners Ronnie Smith, Elmo "Butch" Lilley, and Alphonzo Perry, County Manager W. Russell Overman and Clerk to the Board Linda G. Hardison were present. County Attorney J. Melvin Bowen was absent.

Chairman Hurst called the meeting to order at 7:00 p.m. Commissioner Lilley led the Pledge of Allegiance followed by an Invocation by Vice Chairman Bowen.

AGENDA APPROVAL

MOTION by Commissioner Perry, SECOND by Commissioner Smith, to approve the agenda as presented. MOTION APPROVED by a unanimous vote of the Board.

ADDITIONAL 1¢ SALES TAX FOR SCHOOL CONSTRUCTION

Chairman Hurst explained that Representative Edith Warren has called the County Manager to see if Martin County would be interested in "piggybacking" on a bill for Pitt County which would increase the sales tax one cent with these monies being used for school construction. He emphasized that even if a decision is made to join the Pitt County bill, it is only the first step of a series to make this happen. Ultimately, there would have to be a referendum and the citizens of Martin County would decide if this tax were to be imposed.

Chairman Hurst reviewed the Board's concern on condition of schools. He stated that an additional sales tax increase was discussed during the process of discussing a bond referendum. He said that too much was not said at that time because the Board did not want to influence the decision of the people toward the bond referendum.

Chairman Hurst reiterated that no one wants an additional tax; however, a sales tax seems to be the most fair and equitable for all the citizens. Nevertheless, the citizens will have the opportunity to vote on this tax at a special referendum if the Board chooses to be added to House Bill 1050.

The following information was given to the Board by the County Manager:

1 Cent Sales Tax

- Would require a referendum
- Would be for public school capital outlay or community college plant fund
- Would be in accordance with Article 39 (One Cent sales tax) distributed back to county of collection
- May be used to retire indebtedness incurred for same purposes
- Must continue to provide same level of funding for stated purposes
- Article 39 generated \$2,161,230 in Martin County July 1, 2004 – June 30, 2005

Chairman Hurst said it was his understanding that Pitt County had asked the towns to waive their share so that the total collections would go to school construction.

Manager Overman pointed out that the \$2.1 million that he cited earlier included collections for both the county and towns. The county alone received \$1.8 million. He also indicated that the bill itself may have taken care of the towns' share of revenue. It appears the way the bill is written all of the monies collected would go toward school construction. He was unable to reach Representative Warren today to clarify this question.

Manager Overman then told the Board that he had seen a clip on TV the night before where Representative Warren was conducting a telephone interview. He said he thought he heard her say that the folks in Raleigh were showing more interest in a 1/2¢ tax; however, he was unable to clarify this.

The Board then discussed if there would be a sunset on this tax or if the Board would have the authority to decrease or eliminate the tax when the schools were in good shape.

Vice Chairman Bowen stated that he had already had two visitors concerning the one cent sales tax. He said both were in favor of the tax stating that even though the School Bond Referendum did not pass, the need for new schools was still present. Vice Chairman Bowen expressed his disappointment that there has been no communication from the Board of Education about their plans now that the bond referendum did not pass.

Commissioner Smith said, bottom line, we are still going to need monies to keep school safe and maintain them. The one cent sales tax is the least painful way to raise these monies. He prefers sales tax to increasing property tax. He also stated that he is glad that the citizens will ultimately make this decision.

Commissioner Lilley said that everyone recognizes the fact that there are still needs for school construction and repair. Even though the bonds were voted down, the needs remain. The one cent sales tax is fair and equitable. This would be a good time to piggy-back on the Pitt County bill. He then expressed a concern about Martin County being agricultural and the high cost of farm machinery. He said he did not want the tax to negatively impact the local machinery dealers. He said an alternative could be to instate a cap or a maximum amount that would be paid on any one item.

Commissioner Perry said that the other Commissioners had hit on the points that needed to be discussed. He said the sales tax was the fairest method of raising money for school construction. He also questioned the possibility of people going to another county to purchase bit ticket items and the fact that most taxes are never dropped once they are levied. He said he would like to see what the State is going to do about the lottery.

Manager Overman pointed out that even if Martin County is added to the bill and the bill passes, it would only give Martin County the authority to go forward – the Board does not have to act upon the bill if passed.

Chairman Hurst stated that the way the lottery is set up is a big disappointment to him. He then reviewed the structure of the proposed lottery.

Chairman Hurst thanked the Board for their input and reiterated that action to be added to the bill would only be the first step on the stairs to this tax.

MOTION by Commissioner Smith, SECOND by Vice Chairman Bowen, that Martin County be included in House Bill 1050 for the one cent sales tax to be used for school construction. MOTION APPROVED by a unanimous vote of the Board.

RECESS

At 7:30 p.m. the Board took a recess before going into Closed Session.

CLOSED SESSION

MOTION by Vice Chairman Bowen, SECOND by Commissioner Smith, to go into Closed Session according to G. S. 143-318.11(a)(6), Personnel. MOTION APPROVED by a unanimous vote of the Board, and Closed Session began at 8:40 p.m.

OPEN SESSION

MOTION by Vice Chairman Bowen, SECOND by Commissioner Smith, to go out of Closed Session. MOTION APPROVED by a unanimous vote of the Board.

ADJOURNMENT

MOTION by Vice Chairman Bowen, SECOND by Commissioner Smith, to adjourn the meeting. MOTION APPROVED by a unanimous vote, and the meeting was adjourned at 10:00 p.m.

C. Mort Hurst, Chairman

Linda G. Hardison, Clerk to the Board