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County wants rivers checked

The Perquimans County Board of Commissioners moved to seek grant monies for monitoring water quality in area rivers in a special meeting Monday night.

T. Erie Haste, Jr., a member of the Coastal Resources Commission, appeared before the board and urged that the county seek funding through coastal management to get the waters monitored. Haste was backed by Hertford residents Eldon Winslow and J.P. Perry, Jr.

Haste said that funding is available requiring no more than a 10 per cent local match. In order to qualify for the minimum match, monitoring water quality must become a number one priority in the Coastal Area Management Act Land Use Plan, which is currently being updated.

"Water quality will go in the land use plan as a number one priority, subject to your approval," Haste assured the board.

He had no dollar figure on cost to the county, and was uncertain as to how to proceed with the grant application, but promised that the county would get some help on the matter if it chose to proceed.

"I think once we get this thing started we'll get some professional advice pretty quickly," Haste said.

There was some discussion as to whether or not the monitoring should take place on all of the rivers in the county or just the Perquimans.

The board left the matter open, however, saying that all of the rivers would be preferred, but if this were impossible, the Perquimans would be accepted.

The consensus was that the problem is probably similar in all of the rivers.

The PERQUIMANS WEEKLY recently explored the quality of area waters in a series of articles and found that there is little comprehensive knowledge on the subject.

Fishermen, and others who use the river have complained of declining fish populations and a general decline in water quality.

Monitoring is hoped to determine just what the problem is and is the first step towards a clean-up.

In another matter, the commissioners heard a presentation from Don Holloway, N.C. director of land management records, on the mapping program the county is considering undertaking.

Accurate property maps would be drawn up for the county utilizing aerial photography that would better identify property boundaries. Each parcel of property in the county would eventually be assigned a number and information on the parcel would be indexed under that number.

The eventual goal would be a computerized "in-house" property revaluation through use of the Alliance for Progress computer center in Trapp, N.C.

Perquimans had recently been awarded a grant of \$7,000 to begin the first phase of the mapping program, but appeared skeptical about the program Monday night because of cost.

"This thing has changed considerably since the first time I talked to these

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Flying hi!

Perquimans County cheerleaders say an acrobatic hello to the handful of Scotland Neck fans who saw their team take a 52-0 shellacking at the hands of the Pirates

Friday night. The Pirates put their 2-0 record on the line at Edenton tomorrow night against Holmes.

Crop failure keys disaster designation

For the second straight year, Perquimans County has been declared a disaster county because of poor growing conditions.

As a result, farmers who meet certain requirements are eligible for low interest emergency loans.

Farmers are eligible for disaster emergency loans from the Farmers Home Administration to recover from losses caused by the severe drought and extreme temperatures that have occurred in much of North Carolina since June 1, 1980, according to county FmHA supervisor Melvin Howell.

First district congressman Walter B. Jones recently announced that Perquimans had received the disaster designation.

The County Rural Development Panel, which consists of the extension service, ASCS, soil conservation service and FmHA representatives, assessed the damages and estimated significant losses for corn, soybeans and peanuts on a majority of the farms in the county.

Application was made during the last of August to obtain the designation for the county.

Howell said the jury is still out on most of the county's crops, but the picture

doesn't look good for any of them.

"Corn is the only crop we really know on right now," said Howell. "We've got losses of up to 80 and 90 per cent on some corn," he said.

"Soybeans and peanuts would be a guess right now. We know there will be a loss, but it's hard to tell how much," he said.

Howell said that the back to back poor growing seasons become even more damaging when coupled with production costs that are exceeding the price of products.

"It makes it kind of rough for everybody involved," he said.

In outlining the criteria for receiving a FmHA loan, Howell said that loans must be based on substantial losses resulting from the weather conditions. A production loss of 20 per cent or more in at least one basic crop must have occurred.

Farmers must be unable to obtain sufficient credit elsewhere to meet their actual needs, he said.

Howell stressed that the farmer must have a cash flow repayment ability to pay the loan back with projections based on his crop yields and overall income and expenses for the past four to five years.

Area telephone bills may increase markedly

Carolina Telephone will be paying higher telephone bills if a request for rate increases filed with the North Carolina Utilities Commission is approved.

Hertford area residents will be charged an additional \$2.95 on their basic monthly bills, including charges for area exchanges that expand the range of local calls.

Increases in basic local charges, along with increases in other service rates and charges, would yield the company an

estimated \$25,523,726 in additional revenue.

"Carolina Telephone last had its local service rates increased in 1975 following 18 years without any general increase. Then, because long distance rates went up in 1978, the company in 1979 reduced its local service rates," said T.P. Williamson, Carolina Telephone's vice president-administration.

He said that inflation is the primary reason a rate increase is needed. "We are asking for only a 13 per cent increase

in our intrastate operating revenues. The Consumer Price Index has gone up 17.7 points in the first six months of 1980 alone."

Federal and state taxes are expected to take more than half of the \$25,523,726, leaving the company with a net gain of some \$12,210,000.

"The last long-term money the company borrowed to raise funds for its construction programs was obtained in the spring of 1980 at 12.7 per cent interest, more than double the interest on our

existing debt at that time. It was also more than the 11.9 per cent the company earned on its stockholder investment in 1979, and much more than the 9.4 percent we are earning now," Williamson said.

Partly as a result of the high cost of borrowing money, Carolina Telephone reduced its construction budget from \$110 million to some \$90 million for 1980, he said.

"With Carolina Telephone's rapid growth in recent years, in the face of double-digit inflation, increased ex-

penses and very little local service rate relief since 1957, our earnings are at a point that it is difficult to attract the investment capital needed to continue service improvement and construction programs, Williamson said.

Of the total request for increases, \$2.3 million would be generated from basic local service rates, \$10.2 million from extended area service increases, and increases in service connection charges would yield some \$4 million.

Supplemental services such as directory listings, key and pushbutton telephone service, and auxiliary equipment would increase about \$10.8 million. Zone charges of some \$1.9 million would be eliminated.

The N.C. Utilities Commission is expected to conduct hearings in several towns serviced by Carolina Telephone before making a final decision on rate increases. Date, place and time for these hearings will be announced when determined.

Audit report shows

Hertford money woes a long time in the making

According to audit reports, it appears the town of Hertford has acquired a habit over the past three years of tacking deficits onto upcoming budgets.

And although the practice is not recommended, it is evidently not uncommon. "Several towns have found themselves in a deficit situation, and have carried it over to the following year's budget," said Ollin Sykes, of Timberlake and Sykes, P.A., the auditing firm that has handled the town until this year.

"It is against the law to operate in a deficit situation," said Sykes, "so a town in that situation is forced to budget the deficit as an expenditure in the following year's budget."

Hertford Mayor and Town Manager Bill Cox said the first year the town experienced a deficit was in 1977. "To the best of my knowledge, that is the first year we showed a deficit," he said.

The audit report showed that the town's total deficit for '77 was \$26,075.70, experienced in the General Fund.

The report shows that the town utilized some \$20,000 from the Powell Bill Fund, (state allotted monies for street maintenance) to operate the General Fund.

"It (the \$20,000 Powell Fund money) was not actually transferred, because the Powell Fund is actually a part of the General Fund," explained Sykes, "it's a misnomer to call it a separate fund."

He added that although there was nothing illegal about the utilization of Powell Bill money within the General Fund, it was not considered good practice.

"It's not a fund you have to keep separate, it's a fund you have to spend on eligible street work," said Cox.

In a management letter addressed to the town council, J.P. Timberlake wrote:

"Without regard to the Revenue Sharing Fund, which is a restricted fund, the cash balances declined approximately \$8,000 during the year. If all of the Powell Bill money had been spent during the year, the cash balance would have declined approximately \$28,000. The town needs to do some extensive financial planning in order to reverse this trend."

Timberlake also advised the town to "discontinue the practice of expending funds before amending the budget. Budgetary control is essential especially in view of the deficit in the fund balance and decline in cash balances."

The 1978 audit also showed a deficit — this time of \$17,571.48, again in the General Fund. Timberlake emphasized the need to curtail spending, despite the drop in the town's shortfall.

"The deficit in the unrestricted fund balance in the General Fund decreased

this year (1979). However, the town continues to operate with the use of restricted cash (Powell Bill or other such money) which are (sic) included in the General Fund. This trend should be reversed by making the necessary current year budget amendments."

Timberlake's management letter also warned the council against "conflicts of interest."

"The town needs to be aware that violations have occurred to General Statute No. 14-234 in regards to conflicts of interest. It would be our recommendation that the town cease immediately the purchase of any items from businesses which are owned by any of the Commissioners," wrote Timberlake.

And although the town's deficit in 1979 had decreased to \$6,591, Timberlake's audit showed a decrease in cash position by almost 50 percent.

"The Town's total cash position for the year decreased by almost 50 percent over the year ended June 30, 1978. A large portion of this decrease consisted of the funds spent for the fire house out of the revenue sharing fund although the decrease in cash funds in the electric fund and water and sewer fund amounted to approximately \$60,000. This trend is due primarily to the deteriorating financial condition in the electric and water and sewer fund and should not continue in future periods."

The management statement again warned of further use of restricted cash. "There continues to be a deficit in unappropriated fund balance in the general fund. The town continues to operate with use of restricted cash. Again, this trend should be reversed. We recommend the Town take whatever steps necessary to alleviate the pending financial problems that are eminent."

Aside from the repeated warnings against use of restricted funds and excessive spending, each year's (1977-79) audit report recommended:

- a review and revision of water-sewer rates to allow for department's self-sufficiency
- a review of utility rates in relation to cost of operating utilities
- a complete inventory of fixed assets, required by "generally accepted accounting principles"

The pending (as of press time Tuesday) audit on the recently approved 1980-81 budget is being completed by Hurd & Lang of Manteo, N.C. The council moved to contract with the Manteo firm because their bid was lower than Timberlake and Sykes.

Cox said the audit is expected to pinpoint the present cash flow situation, and that the exact shortfall could be more or less than the estimated \$56,000.

Waterfront development spawns reels of red tape

If you want to subdivide and develop waterfront property, you'd better not be in a great big hurry about it.

The government is notorious for producing red tape, and it appears that nothing gets its red tape machine cranked up better than a prime piece of land on a body of water.

Robert Hollowell, Sr., developer of River Croft, on the Perquimans River, said the project had to be approved by more than 50 different agencies, commissions and committees.

The procedure began last July and still isn't quite finished. "We haven't concentrated that much on it," Hollowell said, "and yet we started work on

clearances and approvals at that time.

"There are innumerable interwoven and overlapping agencies you have to clear through before proceeding with the various steps," Hollowell said.

The development's approval was complicated by the fact that a canal and boat basin will be dug on the property. Hollowell said this doubled the amount of paperwork involved.

Excavate or fill permits had to be approved by the Army Corps of Engineers, as well as the N.C. Department of Natural Resources and Community Development, and the N.C. Department of Administration.

Applications were submitted to all

three agencies and they began the process of clearing the project through steps required to begin work.

There was, of course, the county subdivision ordinance to be complied with, as well as the requirements of the town of Winfall, and the Coastal Area Management Act requirements.

"It gets up to the state level and gets passed all around to all various offices and committees. You might go two months without hearing anything and then get a letter saying such and such requirement hasn't been met," Hollowell said.

Everything seemed complete and final approval appeared imminent, when a

final hurdle was thrown into the project's path.

Larry E. Tice, State Historic Preservation officer, asked that the project be put on hold because two known archeological sites were thought to be located on the property.

"Unfortunately, our information only consists of a copy of a Department of Transportation county map," Tice wrote to state officials.

Hollowell said he has been told that if the state department of history and archives doesn't come up with more concrete evidence in the next two weeks,

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