

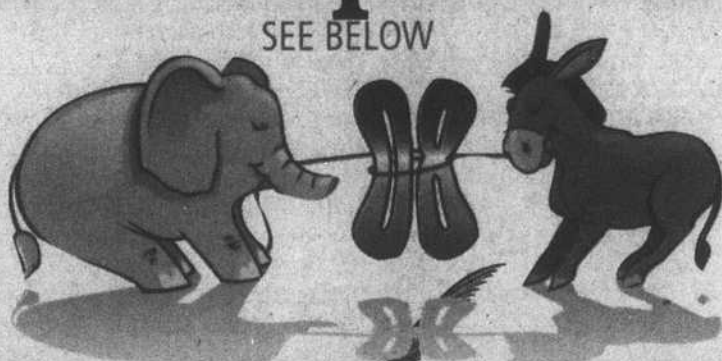


Elections surprise insiders

"I think the Republican Party in Chowan County is here to stay."

— Republican party chair Bob Steinburg

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"The more people who are invested in the election, the better."

— Democrat party chair Martha Badger



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50¢

Sales tax hike nixed in election

Failed sales tax vote equates to a one-cent realty tax increase

By Vernon Fueston
Contributing Writer

Chowan's county commissioners are feeling increased pressure after last week's stunning defeat of a hike in the county's sales tax rate.

Not only will they have to replace the anticipated \$125,000 in revenue the tax would have generated, but they will have to balance next year's county budget in the face of growing voter displeasure over tax hikes.

County Manager Peter Rascoe said things will get interesting this spring as the commissioners try to balance the budget with \$881,000 in new debt payments coming due for the first time. Those annual payments will cover loans for the new public safety center and the library renovations.



Rascoe

New troubles looming

Rascoe said that's when commissioners will once again face the options of cutting services or raising taxes.

Without the sales tax increase, he said that leaves the property tax as the only real possibility for new revenue.

But Rascoe said it's ironic that voters, angry at the prospect of further property taxes, voted down the sales tax increase. He said one reason the increase was proposed was to spread the burden to non-property owners.

Rascoe said the money the county will do without following the measure's defeat is equal to a one-cent increase in the property tax rate.

He said one source of revenue the commissioners had been counting on was land transfer fees. Those are drying up right now as real estate activity slows.

Without increases in revenue from either a sales tax increase or land transfer fees, Rascoe said the commissioner's choices will be few.

Battle of priorities

"The bottom line is that \$125,000 (from the proposed sales tax increase) has got to be made up somewhere," Rascoe said. "The only other place, really, is the ad valorem (property) tax."

Rascoe said that while commissioners will choose between cutting services and raising revenue, proposed cuts in services have met with fierce opposition.

Taxpayers have already absorbed an unpopular six-cent increase in property taxes. Kenny Goodwin, just reelected to the commission, said they don't appear ready for

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A Salute TO VETERANS



Above, Jacqueline and Hallie White pause a moment by the U.S. Marine monument to honor friends and family members who served in Iraq including one who died there.

Speakers for the Veteran's Day event included Dale Wright, American Legion Post 40 commander, Rev. Thomas Biggs and Holmes JROTC director George A. Nelson.



EARLINE WHITE/THE CHOWAN HERALD

Incumbents take office, to some residents' surprise

By Vernon Fueston
Contributing Writer

Politicians and campaign workers were stunned Nov. 4 as they watched several developments scroll down the elections office's computer.

"We were in the elections office watching the screen," Bob Steinburg, county Republican chairman said. "Others were watching over at the old courthouse."

"Several of the people came running over from the courthouse and they were shocked. The just couldn't believe it, just blown away."

"I told Marty Badger, the Democratic chairman, about Earl Willis losing to Ralph Cole. She just pumped her arm in the air and shouted, 'Yes!'"

Following the loss of \$20 million in reserve funds and the surprise insolvency of Chowan's once cash-flush county government, the victory of any incumbent was assumed by many to be nearly impossible.

But both incumbents on the ballot were returned to office by handy margins.

"I'm very discouraged by the race between Cole and Earl Willis. Willis campaigned hard, knocking on every door ... Cole didn't even campaign. He wasn't even at the candidate's forum."

— Bob Steinburg

Reading the tea leaves

To some, it seemed the victories of Ralph Cole, Sr. and Kenny Goodwin were best explained by Barack Obama's very wide coat tails. After all, Democrats across the state were sweeping the competition aside as voters selected straight party tickets.

But that didn't explain wins by Republicans Keith Nixon and Eddy Goodwin.

Nixon beat his Democratic challenger, John Mitchener, by a tight margin in a race where straight ticket voting should have given Mitchener the edge.

Goodwin won by a wide margin against the unaffiliated Gwendolyn Brown. Brown was running with the endorsement of the Democratic leadership.

Vote of confidence?

Public outrage at the county's financial woes

had weighed so heavily on Ralph Cole, the commission's chairman, that he described himself as "down and despondent."

Cole suspended his campaign when the crisis came to light. He had even told friends and family he might not serve if elected. But after winning with 66.5 percent of the vote, he said refusing to serve would be a "slap in the face" to those who backed him.

Kenny Goodwin said he wanted to thank the voters for their support after a rough few months. "It was nice to know people still believe in me," he said.

But county Republican chairman Bob Steinburg said two other factors were at work in the Democrats' success: straight ticket voting and Barack Obama. He said he was at a loss to otherwise explain a win like

Council looks for answers

Council questions if town is liable for partial repayment of \$242,000

By Rebecca Bunch
Staff Writer

Edenton officials were busy Monday trying to determine if the town is on the hook for part of a \$242,000 debt allegedly incurred by the Edenton-Chowan Development Corp.

Richard Bunch, executive director of the ECDC, and current County Manager Peter Rascoe, said they had no idea what the money was used for.

But former County Manager Cliff Copeland said that the funds were paid to Capstrat, a lobbying firm hired to help secure funds for community projects.



Bunch

Edenton Mayor Roland Vaughan said in a prepared statement that Copeland was not authorized by the ECDC to enter into any contract with the lobbying firm.

Copeland said he had done "nothing wrong" in disbursing the funds. He added that the county received a "great return" on the investment.

"I would ask the public to look at the benefits" derived, he said.

Copeland said Tuesday that at the time in question, he believed the town and county — both of which fund the ECDC — were going to jointly retain the lobbyists.

He said that town officials later declined to participate and that at that point, it became the county's responsibility. Copeland said he "made a mistake" in attributing the debt to the ECDC.

"I want to make it clear," he added, "the mayor and Anne-Marie had no role with regard to this contract whatsoever."

The corporation owes Chowan County the money, according to a 2007 audit.

Vaughan said in his prepared statement Tuesday it is not true that the ECDC owes the county that money.

Councilman Steve Biggs expressed concern at Monday night's council meeting that the town could owe half.

"There's no other way to put it except I was PO'd," Biggs said, of his reaction to learning the news.

Biggs, who advocates open government, said he is frustrated because he can't get answers to questions citizens are asking.

Town Manager Anne-Marie Knighton said Monday night that former County Manager Cliff Copeland had spoken with her about the possibility of the town using those services too.

But, Knighton said, she told Copeland the town could not afford the expense at the time.

Capstrat, Copeland said, later helped Chowan County obtain \$10-million in federal funds for a new law enforcement center and an additional \$1.5 million to purchase an instrument landing system for the Northeast Regional Airport in Edenton.

Vaughan said Monday night he plans to conduct his own independent investigation into the matter. Vaughan also chairs the ECDC.

"I am confused, I am embarrassed, because this occurred on our watch," Vaughan said.

"I'm at a loss for answers right now," he added. "But we will find out" what happened.

Z.T. Evans Family Relay for Life Team at Leon Nixon Catering
 Nov 18, 2008 • 4-6:30pm • Auction • 6:30pm
 Fried Chicken • Barbecue & Fish Dinner Followed by music
 (Catered by Leon Nixon Catering) Eat in or Take Out Entertainment by Rocky Hock Rebels
 Tickets \$10.00