

**MINUTES OF THE MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS
June 21, 2004 – 6:30 PM
J. NEWTON COHEN, SR. ROOM, ADMINISTRATION BUILDING**

Present: Gus Andrews, Chairman
Frank Tadlock, Vice-Chairman
Leda Belk, Member
Steve Blount, Member
Chad Mitchell, Member

The County Manager, the Clerk to the Board, the County Attorney and the Finance Director were also present.

Chairman Andrews convened the meeting at 6:30 pm.

RECOGNITION OF THE ROWAN 250FEST STEERING COMMITTEE

Chairman Andrews provided the background of events leading up to the Rowan 250Fest birthday celebration. Chairman Andrews described the celebration as an “outstanding accomplishment” and praised the work and dedication of the Steering Committee members for making the event a possibility.

Chairman Andrews highlighted the following festivities that were held in honor of the county’s 250th birthday:

- First Fest Night 2003
- The Cheerwine “Parade of the Century” - Chairman Andrews said, “No one will ever forget the parade or the excitement of the parade.” Chairman Andrews emphasized admiration for the military “fly over” which kicked off the beginning of the parade.
- Church Tour
- First Fest Night 2004
- Brothers of the Brush
- Sisters of the Swish

- Arts & Academics

Chairman Andrews said that Rowan 250Fest had participated in:

- China Grove Farmers Market
- Landis Heritage Day
- Faith Fourth of July
- Cleveland, South Rowan and Holiday Caravan Parades
- Invitations to speak to numerous groups, clubs and organizations

Chairman Andrews announced that a time capsule would be opened in the year 2050 in honor of Rowan County's 300th birthday.

Chairman Andrews recognized the Steering Committee Members and Commissioner Tadlock presented each member with a gift of appreciation, which was a engraved crystal clock from the Board. The members recognized were:

- Henry Bernhardt, Vice-Chairman
- Jim Brown, Finance Chair
- Colby Cochran
- J. Newton Cohen, Sr.
- Jamima Demarcus
- Harold Earnhardt
- Rita Foil
- Arlene Hankins, Administrative Coordinator
- Kaye Hirst, Chairman (Applause followed the recognition of Ms. Hirst).
- George Knox
- Shirley Johnson
- Gene Miller
- Liz Tennent-Rose
- Walt Ramseur
- Ronnie Smith (Applause followed Mr. Smith's recognition).
- Amelia Watts
- Steve Blount, Ex-officio member

Chairman Andrews recognized the following Steering Committee members who were unable to attend the meeting:

- Ann Eidson
- Buddy Gettys
- Karl Hales
- Susan Kluttz, Ex-officio member

A round of applause followed the recognition.

Chairman Andrews called Arlene Hankins, Coordinator, and Kaye Hirst, Chairman forward. Each name was met with a round of applause. Chairman Andrews presented

each one with a dozen red roses in recognition of their commitment and involvement with the event.

Chairman Andrews called for a short break at 6:50 pm for a reception in honor of the Steering Committee members. Another round of applause was given.

Chairman Andrews reconvened the meeting at 7:05 pm.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Commissioner Mitchell provided the Invocation and Commissioner Blount led the Pledge of Allegiance.

ADDITIONS

- Attorney John Holshouser requested a Closed Session in order to discuss litigation.
- Rita Foil, Clerk to the Board, requested to add a request from the Rowan County Sheriff's Department for approval to apply for the Local Law Enforcement Block Grant to the consent agenda.
- Chairman Andrews requested to acknowledge receipt of the Robinson Grant.

COMMISSIONERS LIAISON REPORTS

Commissioner Mitchell provided the Board with an update and told the Board that the 2003-2004 Report from Piedmont Behavioral Healthcare (PBHC) Survey Results were provided to each Commissioner and that this was the first report since the change of mental health services to Daymark Recovery Services, a private entity.

CONSIDERATION OF CONSENT AGENDA

Chairman Andrews asked the Clerk to provide the Board with the information concerning the addition to the agenda for the Application for Local Law Enforcement Block Grant funding for FY 2004.

Rita Foil, Clerk to the Board, explained the process for applying for the Local Law Enforcement Block Grant (LLEBG) funds and requested that this item be added to the consent agenda. Ms. Foil said the Sheriff's Department has applied for the grant for several years and was requesting authorization to apply and begin the process to seek funding for the LLEBG.

Chairman Andrews referred to the Robertson Foundation Grant for the SAFE Project for \$8,000 and commended the Robertson Foundation for its work in Rowan County. Chairman Andrews expressed appreciation to the foundation for the many projects it supports for the County.

Commissioner Mitchell moved to approve the Consent Agenda as presented with the additional request from the Sheriff's Department. Commissioner Blount seconded the motion and the motion passed unanimously.

The Consent Agenda consisted of the following items:

- A. Approval of the 6/07/04 Commission minutes
- B. Approval of the 6/07/04 Budget Work Session minutes
- C. Approval to set a public hearing for Z-08-04, David Corl
- D. Approval to set a public hearing for Z-09-04 & CUP-09-04, Rockwell Granite Company
- E. Approval to set a public hearing for Z-22-03 & CUP-10-04, Andy Frick
- F. Acceptance of the Robertson Foundation Grant
- G. Approval of the Clinic Fee Schedule for the Health Department for FY 2004-05
- H. Approval of a resolution to set a public hearing for road closing of Nevada Place
- I. Approval of a resolution to set a public hearing for the road closing off of Hwy 601
- J. Postponing the public hearings for Z-05-04 and Z-06-04
- K. Approval of Surety Bond to guarantee construction of road in subdivision
- L. Approval of Porter Road Industrial Park Change Orders
- M. Budget Amendments
- N. *Approval for the RCSD to apply for the LLEBG*

REPORT FROM ESG ON THE ROWAN FEASIBILITY STUDY

Frank Shepard of Energy Systems Group distributed a copy of the Rowan County Performance Contract Feasibility Study. Mr. Shepard also introduced two (2) associates, Mike Saylor and Mark Webb.

Mr. Shepard thanked county staff for tours of county facilities and for the data provided.

Mr. Shepard used a power point presentation to review the report and said that Rowan County is currently spending approximately \$1.12 per square foot for utilities. Mr. Shepard said that the average for facilities prior to Energy Conservation Measures (ECM) was \$.97 cents and expected utility costs after ECM's was \$.84 cents.

Mr. Shepard discussed the Energy Management System and the county's need to be more efficient in managing the buildings. Mr. Shepard explained how the facilities that use the most energy should go into an unoccupied mode during the hours that employees are not working.

Mr. Shepard said his staff had reviewed the county's mechanical systems and that several of them were past the "normal life." Mr. Shepard referred to the multi-zone air-handling unit at the Department of Social Services and said it was "extremely inefficient."

Mr. Shepard reported that opportunities exist to reduce the water and sewer costs for the county.

Mr. Shepard reviewed the recommended improvement measures, savings and capital avoidance impacts. The annual total estimated energy and operational savings potential was estimated to be between \$191,086 and \$379,100.

Mr. Shepard highlighted the Project Scope Cost/Savings Worksheets and said the project payback was approximately 9 ½ years.

Mr. Shepard finished his feasibility report and said the next step would be for the County to issue an RFP.

Commissioner Blount asked if the North Carolina General Statutes detailed how an RFP should be worded. Mr. Shepard responded that the State Energy Office had templates for an RFP and that Gaston County also had a template. Mr. Shepard said the State does require that a decision be made based on certain criteria.

Commissioner Andrews asked if circumstances ever arose that might take away from the profits each year. Mr. Shepard said, “Yes, that is very possible.” Mr. Shepard said that once a proposal is received, there would be a guarantee of savings and the savings are usually greater than what is guaranteed.

In response to a query from Commissioner Blount, Ken Deal, Director of Administration, said he was comfortable with the estimated potential savings.

Chairman Andrews questioned the estimated “up front” initial investment. Mr. Shepard said his company provides the financing for the project so that from “day one” the savings are greater than the debt service. Mr. Shepard said the investment consists of employees’ time to “make sure that it’s right” and also investment in borrowing capacity due to the \$1.8 debt that would be owed by the county. Mr. Shepard said the county would not have to actually put money into the budget.

Commissioner Mitchell questioned ESG’s fee. Mr. Shepard explained two (2) possible methods for paying ESG:

- 1) A margin is built into the estimated \$1.8 million for profit, or
- 2) Annual measurement and verification cost

Mr. Shepard stressed that the Performance Contractor guarantees the savings to the County.

In response to further questioning from Commissioner Mitchell regarding the fee for ESG, Mr. Shepard said the company earns approximately a one-time 5-6% profit, with a goal of a 7%. Mr. Shepard said some customers request the “margin” to be part of the RFP.

Mr. Saylor pointed out that unlike contractors, ESG does not issue change orders. Therefore, if an item is overlooked, it comes out of the profit for ESG.

Commissioner Tadlock questioned ESG's interest rate. Mr. Shepard estimated a "four percent tax exempt" interest rate, subject to change. Commissioner Tadlock asked if the profit/commission by ESG would be realized "up front" in the first year. Mr. Shepard responded that the revenue and profit would be recognized once the construction part of the project is finished.

Commissioner Tadlock questioned the impact the improvements would have on the air quality in Rowan County. Mr. Shepard explained that the pollution in the air could be reduced approximately thirty percent if all agencies in the state attempted to save on energy consumption.

Commissioner Blount said if the Board were agreeable to the concept, the next step would be to turn the project over to the County Manager and staff in order to draft an RFP.

Mr. Russell said he would like to have the opportunity to read the report submitted by ESG.

Commissioner Belk suggested that the Board allow the County Manager to review the report and bring back the issue back to the Board for future discussion.

Mr. Shepard thanked the Board for the opportunity to work with staff and for the opportunity to work for the Board.

Commissioner Belk asked how much Gaston County Schools saved using Performance Contracting. Mr. Shepard said Gaston County had taken somewhat of a different approach but estimated that the project would be approximately \$1 million for three (3) schools.

APPROVAL OF REQUEST FOR THREE GRANTS FROM THE HEALTH DEPARTMENT TO BE EFFECTIVE JULY 1, 2004

Leonard Wood, Health Department Director, expressed appreciation to Dr. Jim Cowan of the Health Department for his efforts to obtain grant funds. Mr. Wood reported that Dr. Cowan was currently serving overseas with the military in Iraq. Mr. Wood said "our prayers and thoughts are with him throughout his stay there."

Mr. Wood highlighted the Youth-Family-School and Youth Risk Behavior Survey grant request for \$29,000 from the Blanche and Julian Robertson Family Foundation. Mr. Wood said that the department was awarded \$10,000 for fiscal year 2004-05 and requested the Board's approval to receive the funds.

Mr. Wood reviewed the Youth Tobacco Prevention and Cessation grant award for \$195,198 from the NC Health and Wellness Trust Fund Commission. Mr. Wood said the grant was for two (2) years and would address prevention of youth initiation of tobacco use.

Mr. Wood discussed the Targeted Infant Mortality Reduction Program and the grant award in the amount of \$83,100 from the NC Department of Health and Human Services. Mr. Wood said the grant was for three years in an effort to reduce infant death disparity between African American and White babies.

Mr. Wood requested that the Board approve acceptance of the three (3) grants.

Commissioner Mitchell moved to approve the grants as presented. Commissioner Belk seconded the motion and the motion carried unanimously.

Chairman Andrews praised Dr. Cowan and other employees who work to secure grants for Rowan County.

REPORT ON THE RESULTS OF THE MARKETING SURVEY

Commissioner Blount reported that approximately twelve (12) organizations had responded to the marketing surveys. Commissioner Blount said most of the responses were supportive of marketing and being inclusive of groups involved in the establishment of the marketing project.

Commissioner Blount said the surveys were for the Board's information and expressed appreciation to the Clerk and Allison Myers for their work on the project.

REQUEST FOR APPROVAL OF CHANGE ORDER FOR THE SOUTH ROWAN LIBRARY

Rowan County Public Library Director Phil Barton, Judy Kandl and Bill Burgin of Ramsey, Burgin and Smith were present to discuss Change Order G-4 in the amount of \$25,673.70 for the South Rowan Regional Library. Mr. Barton said the change order still fell within the construction budget.

Mr. Burgin highlighted the revisions resulting from the fire protection sprinkler system, return duct revisions and additional days of construction time.

Commissioner Mitchell inquired if the remaining \$14,000 in the Contingency Fund would be enough to complete the project. Mr. Burgin felt the funds would be sufficient, with "some left over."

Commissioner Tadlock questioned the completion date for the project and Mr. Burgin estimated the end of August.

Mr. Burgin mentioned several issues with the builder and suggested that a meeting be held with the County Manager and the builder be held to address the concerns.

Commissioner Blount moved to approve the Change Order as presented. The motion was seconded by Commissioner Belk and the motion passed unanimously.

Chairman Andrews encouraged Mr. Burgin to meet with the County Manager and the builder to ensure proper completion of the project. Mr. Burgin responded that his firm would work to “keep quality number one, even at the cost of a little time.”

APPROVAL OF BID FOR THE CHILDREN’S ROOM FIXTURE AND CASEWORK

Mr. Barton presented a Resolution requesting the Board to award the contract for the children’s room fixtures and casework at the South Rowan Regional Library to RDS-Rufus Dale. The total bid was for \$38,086, less tax. Mr. Barton said funds were set aside for the project.

Commissioner Blount said with the understanding that the project was below budget, he moved for approval as requested. Commissioner Belk seconded the motion and the motion carried unanimously.

Chairman Andrews called for a short break at 8:10.

Chairman Andrews reconvened the meeting at 8:20 pm.

RESOLUTION REQUESTING THE GOVERNOR OF NORTH CAROLINA TO RESTORE FULL FUNDING TO THE ROWAN COUNTY PUBLIC SCHOOL SYSTEM

Commissioner Tadlock read a prepared statement and requested that the Board send a Resolution to the Governor to oppose any effort by the State to reduce State funds to the public schools.

Commissioner Mitchell moved to approve the Resolution and the motion was seconded by Commissioner Blount.

Commissioner Blount asked for a copy of the Resolution to also be sent to the North Carolina Association of County Commissioners, as they would be lobbying the Legislators on the issue.

The motion passed unanimously.

**PUBLIC HEARING FOR THE PROPOSED ROWAN COUNTY BUDGET FOR
FY 2004-05**

Chairman Andrews opened the public hearing to entertain citizen input regarding the proposed county budget for fiscal year 2004-05.

The following citizens addressed the Board:

- David Aycoth, Chairman of the Rowan-Salisbury Board of Education, thanked Commissioner Tadlock and the Board for the Resolution to the Governor, opposing cuts in school funding. Mr. Aycoth referred to an article from the Salisbury Post and discussed what he described as “the fear of the unknown.” Mr. Aycoth highlighted the various methods the school system had used to cut spending and explained that the school system had worked diligently to build up its \$6 million fund balance. Mr. Aycoth said the “fear of the unknown” was the reasoning for the budget debate. Mr. Aycoth said he was unaware of anyone that was advocating for a tax increase to meet the needs of the schools, however, the school system was hopeful for “cost sharing” opportunities from both, the county and the school system’s fund balances. Mr. Aycoth asked that the Board “not shut the door on us” but agree to continue to work with the school system to find alternative funding solutions for 13th largest school system in the state.
- Dr. Wiley Doby, Superintendent of the Rowan-Salisbury Schools, expressed concern with the needs of the school system. Dr. Doby reviewed the various state mandates, which totaled approximately \$1.2 million in costs to the school system. Dr. Doby said the school system must also search for methods to fund the \$1.5 million in technology infrastructure updates. Dr. Doby said the system must begin to prepare for the additional costs of opening four (4) new schools. Dr. Doby said the school system has exercised “prudence” in planning for the future. Dr. Doby stressed the importance of education to insuring the future of Rowan County and said the goals for additional progress could not be realized without the county’s help. Dr. Doby asked the Board where education fell on the Commissioners list of priorities. Dr. Doby finished by thanking the opportunity to speak and for the job the Commissioner do for Rowan County.
- Elaine Hewitt, a citizen of Cleveland, discussed an article by the Rowan Partners for Education in the Salisbury Post, which referred to the complexity of the budget process for local education. Ms. Hewitt expressed concern with numerous unanswered questions.
- Paul Dziezyc, a resident of the Summerfield, expressed concern with the tax rate and the hardships that tax increases impose on the citizens, especially senior citizens. Mr. Dziezyc felt the Board of Education should eliminate the “frills” from the plans for the new schools and focus instead on education. Mr. Dziezyc referred to recent letters sent from school administrators to the Salisbury Post and said that the Rowan-Salisbury Schools could not be compared to larger cities and

what those school systems receive. Mr. Dziezyc asked the Board to keep the tax rate low.

With no further citizen input, Chairman Andrews closed the public hearing.

Commissioner Belk commented that she would like to fund the school system for the amount they had requested but questioned the fund balance of the schools. Commissioner Belk said the General Statutes recommends but does not require a fund balance. Commissioner Belk said at the beginning of the 2004 fiscal year the schools had an unrestricted fund balance of \$3.2 million and said she felt that amount would “have to go up” approximately \$3 million or more. Commissioner Belk felt the public should realize the schools do have money in their unrestricted fund balance.

Chairman Andrews said the Commissioners were concerned about funding for the schools and explained that even though sales tax went up ½ cent, the county’s revenue on sales tax went down. Chairman Andrews said growth normally ranges at 4% but is also down due to the recession. Chairman Andrews said, “The real difficulty in determining expenditures is looking at where our new dollars will come from when projecting what is going to take place for the next year.” Chairman Andrews agreed that the “unknown” is also a fear factor for the County Commissioners when dealing with the reserve fund. Chairman Andrews said on behalf of the Board, “we would have loved to have been able to fund the school system but circumstances did not allow that at this time.” Chairman Andrews said over the last seven (7) years, the Commissioners have actively promoted the school system. Chairman Andrews stressed that the Board was not cutting funding but maintaining the same funding level as last year. Chairman Andrews informed the audience that Rowan County was one (1) of only two (2) states in the country that had to match Medicaid expenditures, which Rowan County matches at five percent. Chairman Andrews said that state mandates absorbed Rowan County’s growth money.

Commissioner Tadlock provided the following figures the school system would receive the this year for a total of \$28,181,150:

- \$26,590,644 - current expense
- \$900,000 - capital outlay sales tax
- \$398,642 - teachers classroom supply grants
- \$291,864 - repayment of sales tax

Chairman Andrews commended Dr. Doby for the school system’s prudent management of the system and for the accumulation of funds.

Commissioner Blount said it causes him to “cringe” when he hears comments that the Board is not funding public education. Commissioner Blount said education is being funded but just not at the requested increase. Commissioner Blount said 46% of the “revenue stream” is budgeted for public education.

Chairman Andrews opened the floor to entertain a motion for approval of the budget.

General Fund 101

Mr. Russell reported there was one (1) change to General Fund 101, page 6, and second paragraph. Mr. Russell requested that a comma be placed after the words July 15th, except that such funds for Rowan-Salisbury Schools shall be dispersed according to the plan outlined in the preceding paragraph. Mr. Russell explained that the county would be handling the teachers supply grant for the upcoming year in the same format.

Commissioner Tadlock suggested keeping December 2nd as the cut-off date for receipts from the teachers.

Commissioner Blount moved to approve the General Fund 101 with the modifications as requested by the Manager. Commissioner Belk seconded the motion and the motion passed unanimously.

Fund 201– Special Fire & Service District Taxes

Mr. Russell said the taxes provide necessary funds to local nonprofit volunteer fire departments in unincorporated areas of the county for the purpose of providing fire protection. Mr. Russell recalled that the Board had added the adoption of a Special Fire District for the Rowan-Iredell Volunteer Fire Department.

Commissioner Belk moved to approve Fund 201 as presented. Commissioner Tadlock seconded the motion and the motion carried unanimously.

Fund 202 – Emergency Telephone Assistance Fund

Mr. Russell said the fund supports, in part, the cost of operations of the Telecommunications Department through payment of telephone line charges and equipment replacement and the implementation of the Geographic Information System (GIS). Mr. Russell said the only changes were the operations of the equipment and implementation of GIS.

Commissioner Blount moved to approve Fund 202, followed by a second from Commissioner Tadlock. The motion passed unanimously.

Fund 501 – Risk Management Self Retention Program

Mr. Russell explained that the fund was set aside to cover all of the insurances for the county and there were no substantial changes to the fund.

Commissioner Blount moved to approve Fund 501. The motion was seconded by Commissioner Belk and carried unanimously.

Fund 601 – Solid Waste Enterprise

Mr. Russell said the fund supports the cost of operations for the disposal of solid waste from fees generated from users of the landfill. Mr. Russell said that the major outlay for the year would be the construction of the new cell. Mr. Russell said there would be no financing, as the project would be paid from Cash Reserves.

Commissioner Tadlock moved to approve Fund 601, followed by a second from Commissioner Belk. The motion passed unanimously.

Fund 602 – Rowan-Kannapolis Sports Consortium

Mr. Russell said the major change was that there was no debt service associated with Rowan County. Mr. Russell said the indebtedness from the county would be retired “this year.”

Commissioner Blount moved to approve Fund 602. The motion was seconded by Commissioner Belk and passed unanimously.

Chairman Andrews thanked the County Manager and the Board for its work on the budget.

BOARD APPOINTMENTS

Alcoholic Beverage Control Board

Commissioner Belk recommended the appointment of Marney Hendrick.

Commissioner Blount nominated Charles Lockert.

Upon being put to a vote, Mr. Hendrick was appointed to serve on the Alcoholic Beverage Control Board with Commissioner Andrews, Mitchell, Tadlock and Belk supporting the appointment. Commissioner Blount supported approval of Dr. Lockert.

Commissioner Belk nominated Mr. Hendrick as Chairman of the Board.

Commissioner Blount nominated Hank Palmer as Chairman.

Upon being put to a vote, Mr. Hendrick was appointed as Chairman with Commissioners Belk, Mitchell and Tadlock supporting the appointment. Chairman Andrews and Commissioner Blount supported Mr. Palmer as Chairman.

Charlotte Regional Partnership Board

Commissioner Blount moved to reappoint Steve Fisher and the motion passed unanimously.

Juvenile Crime Prevention Council (JCPC)

Commissioner Belk said there had been an ongoing concern regarding conflict of interest in membership. Commissioner Belk recommended that due to a letter from the State (included in agenda packet) pertaining to conflict of interest, that the appointments be delayed until the JCPC had an opportunity to address the issues.

Commissioner Belk moved to extend the terms of the members who were expiring June 30, 2004 until the conflict of interest could be resolved. Commissioner Belk said the

JCPC would address the issue at its next meeting and send its recommendations to the Commissioners.

Commissioner Blount seconded the motion and the motion passed unanimously.

Land Use Advisory Board

Commissioner Belk moved to accept Norman Ribelin. The motion carried unanimously.

Criminal Justice Partnership Program (CJPP)

Staff requested to delay the CJPP appointments until July and the Board approved the request.

Rowan County Tourism & Development Authority

Commissioner Belk nominated Jack Owens, Mickey Black, Randy Hemann and Gail Elder-White for reappointment. Commissioner Belk moved to appoint David Redden and Don Bringle for the two (2) vacant slots on the board. Both motions passed unanimously.

Town of Granite Quarry Zoning Board of Adjustment – ETJ

Chairman Andrews said Ruth Corpening was recommended to serve on the Board. The recommendation passed unanimously.

PUBLIC COMMENT PERIOD

There were no citizens present wishing to address the Board.

EXECUTIVE SESSION

Chairman Andrews called for a short break at 9:10 before going into Executive Session.

Chairman Andrews reconvened the meeting at 9:15 to go into Executive Session.

ADJOURNMENT

With no further business to be brought before the Board, Chairman Andrews adjourned the meeting at 10:10 pm.

Respectfully Submitted,

Rita K. Foil, CMC
Clerk to the Board