

**MINUTES OF THE MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS
December 18, 2006 – 7:00 PM
J. NEWTON COHEN, SR. ROOM, ADMINISTRATION BUILDING**

Present: Arnold S. Chamberlain, Chairman
Chad Mitchell, Vice-Chairman
Jon Barber, Member
Tina Hall, Member
Jim Sides, Member

County Manager William Cowan, Clerk to the Board Carolyn Athey, County Attorney Jay Dees and Finance Director Leslie Heidrick were present.

Chairman Chamberlain convened the meeting at 7:00 pm.

Commissioner Barber provided the Invocation and also led the Pledge of Allegiance.

CONSIDER APPROVAL OF THE MINUTES

Commissioner Mitchell moved, Commissioner Sides seconded and the vote to approve the minutes of the December 4, 2006 Commission meeting passed unanimously.

CONSIDER ADDITIONS TO THE AGENDA

There were no additions to the agenda.

CONSIDER DELETIONS FROM THE AGENDA

- Commissioner Barber moved to delete agenda item #10 regarding a discussion for farm use values. Commissioner Barber explained that an appeal had been made to the Property Tax Commission in Raleigh and that an appeal hearing has been scheduled for January 10, 2007. Commissioner Barber said the appeal process precedes any action by the Board. The motion was seconded by Commissioner Sides and passed unanimously.
- Commissioner Hall asked that the Board consider moving the Public Comment Period (agenda item #23) closer to the front of the agenda due

to the large number of people in the audience and also due to the length of the agenda.

Chairman Chamberlain moved the Public Comment Period to agenda item #4a.

CONSIDER APPROVAL OF THE AGENDA

Commissioner Sides moved to approve the agenda with the changes. Commissioner Mitchell seconded and the motion passed unanimously.

Commissioner Mitchell expressed appreciation to Staff for the memorandums now included in the agenda packets that explain each agenda topic.

1. CONSIDER APPROVAL OF CONSENT AGENDA

Commissioner Sides moved approval of the Consent Agenda. The motion was seconded by Commissioner Mitchell.

Commissioner Sides referred to Consent Agenda Item A and read the first paragraph of the Proclamation.

Upon being put to a vote, the motion on the floor to approve the Consent Agenda passed unanimously.

The Consent Agenda consisted of the following items:

- A. Approval of Proclamation Declaring 2007 as the Robert Edward Lee Bicentennial Year
- B. Approval of Request from NCDOT to add Cloverdale Drive, Todd Street, Elwood Lane, Johnson Farm Road, Golden Eagle Drive, Lochshire Lane and Canoby Court to the State Secondary Road System for Maintenance
- C. Approval of Request from NCDOT to Abandon the following roads in the Town of China Grove: Second Street, Central Avenue, Columbus Street, Elm Street, Third Avenue, Cherry Avenue, East First Street, Front Street, Walnut Street, Rose Street, Roberts Street and Oak Street
- D. Approval to Request Bear Poplar Unincorporated Signs from NCDOT
- E. Authorize Rowan County Bar Association to Name Jury Assembly Room
- F. Set Public Hearing for January 4, 2007 for Consideration of Unanimous Petition for Ross Meadows Drive

2. PUBLIC HEARING FOR SPECIAL CONSIDERATION OF PROPOSED ROAD NAME OF CHALET ROAD

Fredda Greer from the Rowan County Planning & Development Department provided the Staff Report concerning the proposed road name of Chalet Road. Ms. Greer explained that the road met the criteria for naming and that property owners had been provided with the opportunity to submit a petition for the road name. To date no petition has been received and Staff proposed the name of Chalet Road.

Chairman Chamberlain opened the public hearing to entertain citizen input regarding the proposed road name of Chalet Road.

With no one wishing to address the Board, Chairman Chamberlain closed the public hearing.

Commissioner Sides moved, Commissioner Mitchell seconded and the vote to approve the road name of Chalet Road passed unanimously.

3. PRESENTATION OF REQUEST FOR ECONOMIC DEVELOPMENT PROJECT

Economic Development Director Randy Harrell asked the Board to set a public hearing to consider a Location Assistance Grant for Toyota. Mr. Harrell informed the Board that the Cline site consisting of 89 acres, located at Peach Orchard and Old Concord Road, had been selected as a prime industrial site for Toyota.

Wendy Schwingel, real estate consultant, said she been directing a confidential site search on behalf of Toyota for over 1 year. Ms. Schwingel said the site search had culminated in a purchase and sale agreement to purchase the property that Mr. Harrell had referenced. Ms. Schwingel said that subject to certain conditions, the purchase and sale agreement that was currently in her name would be assigned to Toyota Motor Sales USA, Inc. on behalf of Toyota Racing Development (TRD). Ms. Schwingel said the objective was to purchase and develop the site.

Ms. Schwingel introduced David Wilson, Group Vice President/Finance Operations & Administration for Toyota Racing Development and Sanford Smith, Corporate Manager/Real Estate & Facilities for Toyota Motor Sales.

Mr. Wilson used a power point presentation to provide the Board with an overview and the background of Toyota and TRD. Mr. Wilson said the company intended to move its chassis engineering and competition support group to Rowan. Mr. Wilson discussed the company's involvement in NASCAR, which he said represents the future for their organization.

Mr. Smith said the company had started the site selection process in multi-states and had identified the Cline site as the preferred site for their activities. Mr. Smith said the company planned to develop the site in a responsible manner with the first phase to be the chassis building. Mr. Smith said the building would be approximately 45,000 square feet and he said the company hoped to have the plans finalized early next year.

Mr. Smith said the site was being considered for the following reasons:

- North Carolina Certified Site
- Excellent transportation/highway access

- Commitment of site utilities and infrastructure
- Support of regional and Rowan County economic development team

Mr. Smith said Toyota was committed to the communities in which they establish operations. Mr. Smith said the company was respectful to the environment; the development would bring job opportunities and the project would establish Rowan County as the new nucleus for the racing business in North Carolina.

Mr. Harrell introduced W.A. Cline. Mr. Cline said he was the spokesman for the Cline family and he spoke passionately about his grandfather who had originally purchased the land being considered by Toyota. Mr. Cline said in 2001 the heirs decided to market the property as one tract and the family did not know until 2 weeks ago which company was interested in the property.

Mr. Harrell provided the Board with a handout and asked the Board to set a public hearing to consider approval of an investment grant for Toyota. Mr. Harrell said the estimated capital investment for the first phase of the project was \$22 million. Mr. Harrell said the company qualified for a Level One Investment Grant, which is stated in the County's Incentive Policy. Mr. Harrell said the total grant over a 5-year period was \$519,750. Mr. Harrell said the company would add 40 jobs with an average annual pay of 70,000 per year, plus benefits.

Commissioner Sides said Toyota is a profit-making company, currently the second largest auto manufacturer in the world and projected to be number one in 2007. Commissioner Sides said that while he is excited for the County to have the opportunity to bring in new jobs, it disturbed him that the County must pay incentives to any company.

In response to a query from Commissioner Mitchell, Mr. Harrell said as Toyota increases its investment, they would qualify for additional incentives. Mr. Harrell said the \$22 million was an estimated figure, however it could be higher and the incentives would be calculated according to the County's Investment Grant Policy.

Commissioner Hall asked Mr. Harrell if he was at liberty to discuss phase II and Mr. Harrell said not at this time.

Commissioner Barber commented on the County's tax base and the decline in the commercial/industrial base. Commissioner Barber expressed appreciation to Toyota, the Cline family and Mr. Harrell for their efforts to get the project to this point.

Commissioner Mitchell moved to schedule a public hearing to consider the offering of a tax relocation assistance grant. The motion was seconded by Commissioner Barber.

Mr. Harrell said the company was requesting that the public hearing be held on January 16, 2007.

Upon being put to a vote the motion passed unanimously.

4. PUBLIC HEARING TO CONSIDER ENACTING A MORATORIUM FOR LANDMARKS DESIGNATIONS

Rowan County Planning & Development Director Ed Muire explained that the Board had directed Staff to draft a moratorium ordinance to address issues related to the Historic Landmarks Commission (HLC). Mr. Muire said revisions to the zoning portion of the North Carolina General Statutes related to planning were revised in September 2005 and now require that specific statements and findings be contained in the moratorium ordinance.

Mr. Muire discussed page 3 of the draft regarding a timeline that he and County Attorney Jay Dees had prepared for actions to be completed by the Board during the moratorium.

Mr. Muire said Planner John Hanes had been working with the HLC and had also been the primary contact with the State Historic Preservation Office. Mr. Muire said Staff had suggested to the state office that it might be helpful for one of their preservation planners to attend a Commission meeting. Mr. Muire said that Staff had also asked the state office to provide documentation to the County regarding key issues such as owner consent.

Commissioner Sides said there were numerous changes he wanted to see in the document and he questioned the procedure for getting the information to the HLC. Mr. Muire referred to the timeline in the agenda packet and said February '07-March '07 would provide the opportunity for public input and information gathering.

Commissioner Sides said he would like for each Commissioner to note and provide their suggested changes to one another and the suggested changes could then be provided to the HLC.

Chairman Chamberlain concurred with Commissioner Sides' suggestion and he said the majority of the Board would not accept anything that did not have owner consent.

Chairman Chamberlain opened the public hearing to entertain citizen input regarding the Historic Landmarks Commission Moratorium Ordinance. The following citizens addressed the Board:

- Ron Wedby, co-chair of the Rowan Property Rights Alliance said he appreciated the Board members comments regarding property owners' rights. Mr. Wedby said he lived at 502 South Church Street in Salisbury's Historic District and that he had spent a tremendous amount of money

renovating his home. Mr. Wedby said it had been a “nightmare” in gaining the support of the Historic Preservation for the renovations. Mr. Wedby said he would not go through the situation again and he asked the Board to protect the property owners’ decisions.

- Dale Wagstaff referred to Chairman Chamberlain’s comments and described it as “good news” that the proposed text by the HLC would not pass the Board’s approval. Mr. Wagstaff said at the last Commission meeting during the Public Comment Period there might have been the impression that citizens were blaming the county planners for the proposed HLC changes. Mr. Wagstaff said he had met several times with Planning staff members Ed Muire and John Hanes and he said they do a “great job.” Mr. Wagstaff said private property owners enjoy the ability to legally prevent other people from coming onto their property and he asked how a government body could set up an ordinance that would take away that right.
- Carl Ford thanked the Board for caring about citizens’ property rights.
- Ann Brownlee, President of the Trading Ford Historic Preservation District said she wished to make it clear that she had no involvement with the HLC and that she didn’t know about any proposed text changes until she had read them in the newspaper. Ms. Brownlee said the organization was not taking a position on the matter.
- Ralph Lambe read a prepared speech regarding property rights. Mr. Lambe said private property owners believe in the Declaration of Independence and did not believe in greenways. Mr. Lambe said he dared anyone to tell the citizens what they could or could not do with their own land.

With no one else wishing to address the Board, Chairman Chamberlain closed the public hearing.

Commissioner Sides moved for adoption of the ordinance to enact a moratorium for designations considered by the Rowan County HLC. The motion was seconded by Commissioner Hall and passed unanimously. The vote was followed by a round of applause from the audience.

4a. PUBLIC COMMENT

Chairman Chamberlain opened the Public Comment Period to entertain comments from any citizens that wished to address the Board. The following citizens spoke:

- Jack Fisher said he owns property in Rowan County on I-85 and he felt that restrictions should not be placed on whether property owners could sell their land. Mr. Fisher referred to the presentation from Toyota earlier in the Commission meeting. Mr. Fisher said many jobs had been lost through the years and that he had not seen a big effort to attract other companies. Mr. Fisher said he agrees with Commissioner Sides in

respect to having to pay incentives to lure companies to the area but he said, "Sometimes you've got to bite the bullet." Mr. Fisher said jobs are need in Rowan County.

- Ron Wedby said he owns a race business in Rowan County. Mr. Wedby said he used to work with Toyota and he described TRD as a great organization. Mr. Wedby said he understood Commissioner Sides' stance on not paying incentives to lure companies to Rowan County however he felt that the reality of the market is that other counties are vying for the business. Mr. Wedby cautioned the Board to be careful regarding land use planning as he felt it could hurt the very farmers the County was trying to help.
- Carl Ford said it was difficult for him to discuss land use planning when the Board had not yet reached the topic on the current agenda. Mr. Ford felt there were already enough restrictions on property rights and that he is concerned when he hears the subject of land use planning.
- Reverend Bill Godair of Cornerstone Church in Salisbury expressed concern that the Commissioners do not have a plan for the County. Rev. Godair also referred to the school situation and said he hoped the Board of Education had to answer to the Commissioners in some way, as corporations might not want to locate in Rowan County if the education system does not improve.
- Eric Marsh said he has a small farm on the south end of the county and that he favored land use planning. Mr. Marsh said he had spent over 36 years in industry and that he never built anything without a blueprint. Mr. Marsh said the County does not have a blueprint and he felt without a blueprint "what you get is Charlotte." Mr. Marsh said there are 2 sides to every story and both should be heard.
- Dale Wagstaff said he felt discussions were good in order to hear both sides and come to some sort of compromise. Mr. Wagstaff discussed the different opinions as to what people think a land use plan is for. Mr. Wagstaff felt a land use plan should leave the choice of what to do with the property to the landowner. Mr. Wagstaff said a land use plan could be driven based on where infrastructure (water/sewer) was located. Mr. Wagstaff asked the Board to give citizens the opportunity and freedom concerning what to do with their property.
- James Rollans said he is a rural landowner and a former educator and that he is concerned about the future of Rowan County and what it will look like in 25 years. Mr. Rollans said the County must have a plan to know where it is headed. Mr. Rollans said he would like to preserve property rights of each individual but that he understands there is a price for everything. Mr. Rollans said he would appreciate the Board working towards compatibility between property rights and a comprehensive land use plan.

With no one else wishing to address the Board, Chairman Chamberlain closed the Public Comment Period.

Commissioner Sides discussed economic development incentives and said there are numerous incentives that are available to companies if they meet certain criteria. Commissioner Sides said there are state incentives, local incentives (water/sewer), and reductions in the purchase price of property. Commissioner Sides said the public should understand that the incentives cost a great deal more than just what is stated in the County's Investment Grant Policy.

Commissioner Sides touched on several topics, including land use planning. Commissioner Sides recalled that the County had hired a firm to prepare a land use plan but yet had "nothing to show for it." Commissioner Sides said the plan had been very flawed. Commissioner Sides said he didn't know how the next plan could be "any better than the last one." Commissioner Sides briefly discussed the baseball stadium and Summit Corporate Center. Commissioner Sides referred to citizens who sign their property over the Land Trust and he said the Land Trust had the right to remove any restrictions on the land and sell it. Commissioner Sides said property could be condemned and taken from citizens. Commissioner Sides finished by asking who was doing the land use plan, the property owner or someone that doesn't own the property. A round of applause followed Commissioner Sides' comments.

Chairman Chamberlain called for a short recess at 8:20 pm.

Chairman Chamberlain reconvened the meeting at 8:30 pm.

5. PRESENTATION OF 2005-06 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Sam Leder and Cindy Spencer from Potter & Company, P.A. presented the June 30, 2006 Comprehensive Annual Financial Report for Rowan County. Mr. Leder thanked the Board for the opportunity to work for Rowan County and he commended the Finance Department for an excellent job.

Mr. Leder said his firm had issued an unqualified audit report, which is the highest level of assurance that a certified public accountant could issue. Mr. Leder said the audit showed no instances of non-compliance.

Mr. Leder discussed the financial position of the county and said the total cash was down from last year, which was completely expected due to the construction of schools.

Ms. Spencer highlighted the graphs in the agenda packet.

Mr. Leder recommended an internal audit position for the Finance Department to conduct random audits in the other departments. Mr. Leder said the firm did notice that some departments may be circumventing the purchase order policy and he said he felt the County should reiterate that it has the policy.

Mr. Leder discussed the firm's responsibilities under generally accepted auditing standards.

Chairman Chamberlain asked Finance Director Leslie Heidrick if the concerns with the purchase order policy had been corrected and Ms. Heidrick said yes.

Chairman Chamberlain questioned the recommended internal audit position and Ms. Heidrick said the Finance Department performs some internal audit functions each year, such as surprise audits where petty cash is counted, etc. Ms. Heidrick said the Finance Department does not have the personnel to audit compliance with the county's policies.

Chairman Chamberlain asked if the Board should consider hiring personnel to perform the recommended internal audits and Ms. Heidrick said yes.

Commissioner Sides discussed the ABC Board and the fact that the Board is required by statute to turn over their surplus funds to the County. Commissioner Sides said he felt the ABC Board should report to the Commissioners.

Commissioner Barber said many of the services the County must provide are mandated. Commissioner Barber expressed concern that the County was losing some of its commercial/industrial tax base, which was putting the "squeeze" back on the citizens. Commissioner Barber then referred to page 7 of the report in the agenda packet and he humorously pointed out the low tax rate of .04 cents for the Town of China Grove. Commissioner Barber said he realized the .04 cents was a mistake in the report and that it should be listed as .40 cents.

Commissioner Mitchell moved to accept the report with the congratulations. The motion was seconded by Commissioner Sides and passed unanimously.

6. CONSIDER APPROVAL OF SNIA 08-06 FOR GREEN LIGHT RACING

John Hanes of the Rowan County Planning & Development Department explained that Green Light Racing was requesting a Special Non-Residential Intensity Allocation (SNIA) permit for the purpose of building a race shop on Tax Parcel 230C047I located in the Coddle Creek watershed. Mr. Hanes said the permit would allow up to 70% of the parcel to be built upon.

Commissioner Mitchell moved, Commissioner Barber seconded and the vote to approve SNIA 08-06 passed unanimously.

7. CONSIDER APPROVAL OF PURCHASE/RESOLUTION FOR THE HARDWARE FOR THE FULLY INTEGRATED PUBLIC SAFETY SYSTEM

Rowan County Purchasing Agent Sandy Fisher, Information Systems Director David Boling, and Network Administrator Randy Cress were present to provide the Board with information regarding a quote for the purchase of the hardware for the Integrated Public Safety System project for Telecommunications and the

Sheriff's Department. Ms. Fisher said the Board had already approved the software for the project. Ms. Fisher said Staff was asking the Board to award the contract to SunGard HTE, Inc as a sole source purchase for a total cost of \$367,763.73.

After a brief discussion Commissioner Sides moved for adoption of the resolution awarding the contract for the purchase of hardware for the fully integrated public safety system to SunGard HTE, Inc. The motion was seconded by Commissioner Barber and carried unanimously.

8. DISCUSSION REGARDING TELEVISIONING OF COMMISSION MEETINGS

Commissioner Hall asked the Board to consider televising the meetings through cable broadcast and various means of technology in order to reach a larger number of citizens.

Information Systems Director David Boling and Network Administrator Randy Cress were present to answer any questions the Board might have.

In response to a query from Commissioner Barber, Mr. Boling discussed the technology currently being used by the City of Salisbury.

Commissioner Mitchell said it was obvious that the Commissioners meeting chambers needed upfitting as far as technology in order to provide information to the public. Commissioner Mitchell questioned the costs for putting in the equipment to televise the meetings. Commissioner Mitchell also asked about the staff time that would be required to run the program as opposed to contracting out the service. Mr. Boling said he had some estimates in the range of \$30,000 to \$40,000 but that Staff would like additional information as to exactly what methods the Board wanted to use.

Chairman Chamberlain asked Mr. Boling to provide the Board with figures to "do it right." Chairman Chamberlain appointed Commissioner Hall to work with Staff to obtain information and report back to the Board.

9. UPDATE ON PHASE III SEWER PROJECT AT SPEEDWAY BUSINESS PARK

Greg Greene of the Rowan County Environmental Services Department said lots #7 and #8 in Speedway Business Park do not have sewer service. Mr. Green said Salisbury Rowan Utilities (SRU) had informed Staff that they would not accept the sewer line that had been designed onto their system. Mr. Greene said one alternative is to go back to SRU for further discussions.

Commissioner Sides asked Mr. Greene to explain the problem SRU has with the sewer line. Mr. Greene said there is an aerial crossing that crosses a small ditch and approximately 300' of the line would come up out of the ground and be

exposed. Mr. Greene said the County would fill over all but 75' of the line. Mr. Greene said SRU was concerned about damage to the exposed pipe. Mr. Greene discussed the next most cost-effective method of sewer service to the 2 lots, which was by private pump stations.

Commissioner Sides said he was opposed to spending additional money on a sewer line that would be turned over to the City.

Commissioner Hall asked if the County had representation on the SRU Board and Chairman Chamberlain said no. Chairman Chamberlain said the Commissioners had let it be known that they would like representation.

By consensus, the Board instructed Mr. Greene to negotiate for acceptance of the sewer line as designed and to report back to the Board quickly.

10. DISCUSSION REGARDING FARM USE VALUES

Item #10 was pulled removed from the agenda.

11. CONSIDER APPROVAL OF BID AWARD FOR CORPORATE HANGAR AREA AT AIRPORT

Director of Administration Ken Deal along with Carl Ellington and Andy Shook from the firm of Talbert & Bright Engineering were present to discuss the bid award for the corporate hangar area at the Rowan County Airport. Mr. Deal said the bid for the project came in at approximately \$632,000 and the County had budgeted \$511,949. Mr. Deal said the low bidder suggested taking some items out of the project that would not harm the project, saving \$129,000 and bringing the costs to \$503,000. Mr. Deal said the only item missing for the project was water/sewer. Mr. Deal requested Board approval to go with the low bid and proceed with the \$503,000 and to bid the water/sewer separately.

Commissioner Sides said he was in favor of going forward with the project and that the Board would need to discuss its plans for the airport at the upcoming retreat. Commissioner Sides said the airport should be self-sustained and pay its own way.

Commissioner Sides moved, Commissioner Mitchell seconded and the vote proceed with the project as requested passed unanimously.

12. DISCUSSION PERTAINING TO BOARD INTERNAL RELATIONSHIP/BOARD-MANAGER RELATIONSHIP/BOARD-DEPARTMENT HEAD RELATIONSHIP

Commissioner Barber discussed his suggestions pertaining to improving board relationships. Commissioner Barber said prior to becoming a County Commissioner he had observed what he felt were communication breakdowns. Commissioner Barber discussed the proposal in the agenda packets and said he was open to other suggestions.

Commissioner Sides said at times the communication issue seems to be a matter of trust when instead it should be a matter of courtesy. Commissioner Sides said he prefers written communications, which can be filed and referred back to. Commissioner Sides said he felt it would be good for written communications to be passed to all Commissioners regarding meetings between the County Manager, Chairman and other individuals. Commissioner Sides said that he prefers to contact individuals directly when seeking specific information and that instructs employees to make the same information available to all Commissioners. Commissioner Sides said Commissioner Barber had presented some good ideas as “food for thought” and that all Commissioners should consider providing suggestions to create better communications with the Board.

Chairman Chamberlain described himself as a “vocal communicator” and said his personal preference is not communicating via email. Chairman Chamberlain said he spends hours in the office daily and also with the County Manager on any number of projects. Chairman Chamberlain said all of that information is public and that it would be tough for him to send an email regarding every issue discussed. Chairman Chamberlain said everything that he knows is available to the other Commissioners and that he would answer questions from other Commissioners at any time.

Commissioner Hall said that there are instances due to time limitations that a Commissioner may need to go directly to an employee for information rather than go through the County Manager. Commissioner Hall agreed that the County Manager should be kept informed and she also agreed with Chairman Chamberlain that communication is a personal style.

Chairman Chamberlain said the Board would take Commissioner Barber’s suggestions under advisement and the issue could be brought back up if need be.

13. DISCUSSION REGARDING CURRENT BUDGET PROCESS & ALTERNATE BUDGET PROCESSES

Commissioner Barber said he wanted to make sure the County had a budget process in place that would clearly identify waste and inefficiencies in the government. Commissioner Barber discussed the County’s current budget process. Commissioner Barber said other budget processes being used by state and county organizations include zero-based budgeting, performance-based budgeting and multi-year based budgeting. Commissioner Barber recommended that the Finance Director and County Manager make a presentation to the Board and to the public on what the County’s budget process is, how it works and how it helps identify waste and inefficiencies. Commissioner Barber said he was not suggesting that the County change its budget process for this year or even for the following year. Commissioner Barber said he would like to have a good debate with public input on the County’s budget process and how it compares to other processes.

Commissioner Mitchell said zero-based budgeting was his preferred method. Commissioner Mitchell asked the County Manager if he had been involved with a County that had a budget process other than a continuation/expansion budget. Mr. Cowan responded no and said the most favored process is performance-based budgeting.

Commissioner Mitchell asked if Staff was comfortable in making a presentation in the near future. Mr. Cowan said he and the Finance Director felt it would be helpful to have an authority from the Institute of Government (IOG) to make a presentation to the Board. Mr. Cowan said many counties the size of Rowan have a staff that handle only the budget; in Rowan County the County Manager, Finance Director and one other staff member handle the budget. Mr. Cowan said performance-based budgeting would require management oversight for it to be effective.

Commissioner Mitchell suggested that the County Manager and the Finance Director consult with the IOG and bring information back to the Board.

Commissioner Barber proposed that the Board receive the information before the retreat.

Commissioner Mitchell said he had no problem receiving the information that soon but he said if additional time was needed to allow Staff to conduct their research then he had no problem with the presentation being made at the retreat.

Commissioner Barber said with the growth coming to Rowan County, he wanted the Board to make sure that it had demonstrated due diligence in eliminating any waste or inefficiencies within county government.

14. DISCUSSION CONCERNING WORKING WITH THE BOARD OF EDUCATION TO IMPROVE THE SCHOOL SYSTEM

Chairman Chamberlain stated that the County had had a “bomb dropped on us” regarding the Adequate Yearly Progress (AYP) for the Rowan-Salisbury Schools (RSS). Chairman Chamberlain said he was contacted several times by the media concerning the AYP. Chairman Chamberlain said he had called RSS Superintendent Dr. Judy Grissom to inform her of the Board’s displeasure that it was not notified in advance. Chairman Chamberlain said he received an apology and that he had also suggested that the Commissioners receive a request from the Board of Education (BOE) to hold a joint board meeting. Chairman Chamberlain said the request had not been received. Chairman Chamberlain said he had appointed 2 Commissioners to serve as liaisons to the BOE and based on what has happened with RSS, he was officially appointing all 5 Commissioners as liaisons. Chairman Chamberlain said he was officially calling for a joint public meeting between the Commissioners and the BOE and that time would also be provided for the boards to receive public comment. Chairman Chamberlain said with the Board’s permission, he would like to instruct the

County Manager and the Clerk to coordinate a meeting as soon as possible. Chairman Chamberlain also suggested that the Commissioners hold quarterly public work sessions with the BOE until the next AYP was issued.

Commissioner Barber said he had placed the current topic on the agenda prior to the Commissioners learning of the AYP results and that he had planned to propose exactly what the Chairman had just suggested.

Commissioner Sides suggested that the joint meeting be held after the first of the year.

Commissioner Barber suggested that the meeting take place between the Commissioners regular meetings scheduled on January 4th and the 16th.

Commissioner Hall read the following prepared comments:

In my opinion, somewhere over the course of the past five years or so, our school system lost its way. The focus became less and less on the instructional program and the children and more on the buildings and appearances. The test scores slipped and slipped and finally plummeted.

It brings to mind the analogy to a frog that is dropped into a pan of water with slowly increasing temperatures. The frog adjusts to the temperature and doesn't realize what is happening until it's cooked.

Likewise, Rowan citizens were told not to worry about the test scores – the school's scores were not that bad.

What citizens were not told by school administrators for three straight years was that the school system itself did not make AYP and sanctions could follow. Surprise, in 2006 it's the fourth straight year of not making AYP. Now we're in hot water for sure and the folks from Raleigh call the shots through assistance teams.

What if those in charge had been open and honest about the school system's testing plight? What if their focus had been on the children and not some perceived image?

Why should the county commission be alarmed?

The children represent the future of Rowan County – our single most precious resource. Citizens look to the commission for many things including education. The single largest slice of local tax dollars (30 million) goes to fund education. Just from a business standpoint, we should expect acceptable results for such an investment.

Aside from the impact on the individual child, education affects many county issues.

For example, our high dropout rate influences the demand for: Social Services, Health Department, Law Enforcement, Court System and others – and if a child is not reading on level by the time he leaves third grade, chances are he'll drop out of high school.

As test scores drop, high school dropout numbers increase. Then, look for your taxes to go up to support the demand on county services. It's far simpler to focus on each and every child and help them with the basics, keep them in high school, teach a trade – find a way to help them succeed in school.

Dr. Grissom and her new staff are working feverishly to turn things around. Hopefully, they'll produce results before the next testing cycle in May. If not, the state sanctions only get much worse.

One thing is for sure, either the school system makes sweeping changes or the state will make the changes for us. Pay now – or pay later – but pay we will. I wish the best to the Board of Education and look forward to a joint meeting soon.

Commissioner Mitchell said based on meetings that he had recently attended, plans had been implemented to correct the problem. Commissioner Mitchell said the No Child Left Behind Program was coming up for renewal and now is the time to work to make sure the County has a program that accurately reflects what the school system is doing. Commissioner Mitchell said the federal government was going to have to make changes to some rules he described as unfair. Commissioner Mitchell said the rules were not working in Rowan County or across the state. Commissioner Mitchell said RSS has progress to make and that the Commissioners would work together with the BOE.

Commissioner Sides said education is mandated by the state but the county is mandated to pay for capital improvements. Commissioner Sides said the taxpayers contribute \$30 million for additional teachers, substitutes, etc. that the state must feel are not needed. Commissioner Sides said the county provides the funds because it wants to have the best system. Commissioner Sides said RSS has an \$8.2 million surplus that should be spent on educating the kids.

15. DISCUSSION REGARDING LAND USE PLANNING

Commissioner Barber said during the retreat last year the previous Board had tabled the issue of land use planning until the new Board was sworn in. Commissioner Barber said every county on the I-85 corridor has a land use plan with the exception of Rowan County. Commissioner Barber said he would like for the Board to hold discussions and receive public input on the issue. Commissioner Barber suggested that the Board receive a presentation from

Planning Staff on the different types of land use plans that are being utilized by other counties.

Commissioner Sides humorously said he would like to table the issue until the next Board is seated in 2008. Commissioner Sides said he was against land use planning and that he felt the County had land use planning through zoning.

Commissioner Barber proposed that the Board receive a presentation and public input regarding the various types of land use plans before the retreat. Commissioner Barber said he would then like for the Board to discuss the issue at the retreat.

Commissioner Mitchell said a presentation at the retreat would be fine with him and the Board could make a decision whether to proceed with a plan at that time.

Commissioner Hall concurred with Commissioner Mitchell

Commissioner Barber said he would support holding off on the presentation until the retreat.

16. DISCUSSION REGARDING STRATEGIC PLANNING

Commissioner Barber discussed the need for strategic planning due to the estimated population growth for the next 10 to 20 years. Commissioner Barber said Rowan County did not have a "road map" to address emergency medical services, funding for schools, fire departments and other such issues that would result from the growth. Commissioner Barber proposed that the Board receive a presentation from the Strategic Planning Commission (SPC) as to where they are today.

Commissioner Sides said he was in favor of planning but said he was uncertain "what kind of planning we're talking about and how restrictive that planning is going to be."

Chairman Chamberlain said he was willing to listen to a presentation. Chairman Chamberlain said he believed in strategic planning and considered it as something different from land use planning.

Commissioner Mitchell said he would like for the presentation to focus on what kind of school buildings would be needed in the future, emergency services and other such information that the Board needs in order to prepare for the growth.

Chairman Chamberlain challenged Commissioner Barber to get the information for the Board.

17. DISCUSSION REGARDING PERSONNEL BOARD

Chairman Chamberlain said a Personnel Board had been established by the Board years ago that historically consisted of the Chairman, Vice-Chairman and the County Manager. Chairman Chamberlain said he felt the County Manager should not vote, especially when it means he's voting with or against elected officials. Chairman Chamberlain suggested adding text to the ordinance stating the County Manager would be a non-voting member of the Personnel Board and that if a tie occurred, the issue would go to the full Board of Commissioners for consideration.

Commissioner Sides said he would like to see the Personnel Board suspended for a period of time and to allow personnel matters to come before the Commissioners. Commissioner Sides said the Board could decide in several months if it wanted to eliminate the Personnel Board or change its structure.

Chairman Chamberlain disagreed with Commissioner Sides' suggestion.

Commissioner Mitchell suggested as a compromise that each Commissioner receive a Personnel Board agenda packet so it would be clear as to what issues were coming before the Personnel Board.

Commissioner Hall questioned the number of issues the Personnel Board dealt with on a monthly basis.

Chairman Chamberlain called Ken Deal, Director of Administration forward. Mr. Deal said the number of monthly meetings varies. Mr. Deal gave an example of a situation when the Personnel Board might need to meet and said from Staff's viewpoint, there would be instances when it would not be beneficial to delay decisions to the next Commission meeting.

Commissioner Mitchell moved to make the County Manager a non-voting member of the Personnel Board and to include all 5 members of the Commission to receive the information packets that are given to the Personnel Board. Commissioner Mitchell also said the Board should revisit the issue no later than March.

County Attorney Jay Dees said the Board would need to schedule a public hearing to modify the ordinance text.

Commissioner Mitchell moved to add a public hearing for January 4, 2007 to consider the text changes.

Commissioner Barber seconded and the motion passed unanimously.

18. DISCUSSION REGARDING PLANNING RETREAT

Commissioner Sides suggested that each Commissioner share their ideas for the retreat to each other and to the press via email. Commissioner Sides said the Board also needed to discuss a date, time and place for the retreat.

Commissioner Sides recommended holding the retreat at the Frank T. Tadlock South Rowan Regional Library.

Commissioner Mitchell commented that seating at the library might be an issue.

Chairman Chamberlain agreed with Commissioner Sides pertaining to the exchange of ideas via email for the retreat. Chairman Chamberlain also suggested that Board members submit their ideas to the Clerk who could compile a list of the topics and then provide a summary of topics to each Commissioner. Chairman Chamberlain said a retreat agenda could also be presented for a vote by the Board in advance of the retreat.

Commissioner Barber asked if the Commissioners were to send their retreat topics to the Clerk. Chairman Chamberlain responded yes and he said Board members should also feel free to share them with each other. Chairman Chamberlain encouraged the Board to get their ideas submitted as soon as possible.

Chairman Chamberlain asked which dates the Board would like to schedule the retreat. Commissioner Barber said he would like for the Board to hold the retreat in February after the 2 regular Commission meetings.

Commissioner Sides suggested setting the retreat dates at the next meeting and the Board members agreed.

19. CONSIDER APPROVAL OF BUDGET AMENDMENTS

Commissioner Mitchell moved, Commissioner Sides seconded and the vote to approve the budget amendments as presented passed unanimously.

20. COUNTY MANAGER'S ACTIVITY REPORT TO THE BOARD

County Manager William Cowan said he would entertain any questions the Board might have regarding the activity report.

In response to a query from Commissioner Barber concerning Codes Enforcement, Mr. Cowan said the County was not considered behind in its plan reviews/inspections.

Commissioner Barber referred to the second vacant position in Codes Enforcement and Mr. Cowan said once the position is filled, the department would be fully staffed.

Mr. Cowan said now that Environmental Services and Planning/Codes Enforcement had been separated, the Solid Waste Department can be funded from the Enterprise Fund. Mr. Cowan said the change would most likely be proposed in the next year's budget.

Chairman Chamberlain called for a short recess at 10:22 pm.

Chairman Chamberlain reconvened the meeting at 10:32 pm.

21. DISCUSSION OF PROCESS TO BE FOLLOWED FOR HIRING FULL-TIME COUNTY MANAGER

Commissioner Sides said the Board had previously stated its intentions to go through the process for hiring a fulltime County Manager. Commissioner Sides said his feelings on the issue are not personal. Commissioner Sides said the current County Manager William Cowan had done an excellent job and had done a lot of positive things for the County. Commissioner Sides said he does not like the fact that the County has a contract with a corporation for county management services and he contended there could be legal challenges in the future concerning signatures on county documents as well as tax implications. Commissioner Sides said he wanted to hire a County Manager who is a fulltime employee of Rowan County. Commissioner Sides said he had voted against the contract when Mr. Cowan was hired not because of his salary but due to the fringe benefits that had been added.

Commissioner Sides moved to issue a 120-day letter based on the current contract and to begin the formal process of accepting applications for the job of Rowan County Manager; and in the interim establish what the salary and benefits are. The motion was seconded by Commissioner Barber.

Commissioner Mitchell said he personally had interviewed Mr. Cowan for over a year and that he had no problems with Mr. Cowan's exemplary performance. Commissioner Mitchell said he had spoken with no one who questioned Mr. Cowan's ability to lead or manage the County. Commissioner Mitchell said he had searched for a County Manager and that his search stopped with Mr. Cowan. Commissioner Mitchell said if the motion on the floor was defeated, he would move to offer Mr. Cowan, not William Cowan, Incorporated, a contract at market rate. Commissioner Mitchell said he had seen the results of work that was not done up to standards and that he did not want the County to go back into that situation. Commissioner Mitchell said he didn't suspect there was a County Manager anywhere in the United States that would be any better than the one the County has.

Commissioner Hall said she had been on the Board for 2 weeks now and that she had understood the issue would be coming up. Commissioner Hall said she had initially felt that the County should open up the search process and she agreed with Commissioner Sides that the County should have a contract with an

individual and not a corporation. Commissioner Hall said during the past 2 weeks she had had the opportunity to observe Mr. Cowan firsthand, including during a Department Directors Meeting. Commissioner Hall said she had observed the County Manager's great interaction with the Directors and she complimented the County Manager for starting the monthly Department Directors meetings. Commissioner Hall also praised the County Manager's Activity Report to the Board. Commissioner Hall said Mr. Cowan had been very helpful to her as a new Commissioner in making the transition go smoothly. Commissioner Hall said she had heard many good things and that her feelings were to keep the County Manager.

Commissioner Barber said the decision regarding the County Manager could be one of the most important decisions the Commissioners make in the next 4 years. Commissioner Barber said he had held discussions with people regarding their positive feedback and interaction with Mr. Cowan and he said, "I have had the exact same thing." Commissioner Barber said his reasoning for supporting the motion was because of the importance of the decision. Commissioner Barber said the intent was to go through a full hiring process. Commissioner Barber said he believed that the hiring process was important to ensure that the County is doing the right thing and demonstrating to the citizens that the Board has gone through the process. Commissioner Barber said his reasoning had nothing to do with a lack of confidence in Mr. Cowan. Commissioner Barber said, "This person will outlive the political winds" of many boards.

Upon being put to a vote the motion on the floor failed 2-3 with Commissioners Mitchell, Hall and Chamberlain dissenting.

Mr. Cowan said in order to facilitate any transition as far as he was concerned, the 120-notice could be shortened to 30 days to coincide with his housing lease.

Commissioner Mitchell moved that the Board, through the Personnel Board, enter negotiations with Bill Cowan, not Bill Cowan, Inc., for the fulltime Rowan County Manager's position with negotiations being around market rate. Chairman Chamberlain seconded the motion.

Chairman Chamberlain said the only way he would participate in the negotiating process is for the negotiated terms come back to the full Board.

Commissioner Hall asked if the full Board could be involved in the negotiations. Commissioner Hall said the Board is in the midst of scheduling a public hearing concerning the Personnel Board and due to the transition, she asked that all 5 Commissioners be involved.

Commissioner Mitchell accepted Commissioner Hall's amendment to the motion for the full Board of Commissioners to participate in the negotiations.

Upon being put to a vote, the motion carried 3-2 with Commissioners Sides and Barber dissenting.

Chairman Chamberlain said there was a chance that negotiations might not be successful and the Board would be forced to conduct a search.

Commissioner Barber pointed out that the current contract with the County Manager expires on December 31, 2006. Commissioner Sides responded that without a letter, the contract would continue for 2 years.

Mr. Cowan said he was willing to amend the agreement to allow either him or the Board to provide a 30-day notice to terminate the contract.

County Attorney Jay Dees said the change is a slight amendment to the current contract and the drafted amendment could be presented for the Board's consideration at the January 4th Commission meeting.

Commissioner Sides said his intent was not for Mr. Cowan to leave but for him to apply for the job. Commissioner Sides said he did not want to see Mr. Cowan leave in 30 days as the retreat and budget process was coming up.

Commissioner Barber said the retreat was coming up and until the Board knew what issues it would tackle in the coming years, how would it know what qualifications, background and educational experience to look for. Commissioner Barber said he also hoped Mr. Cowan would apply.

Mr. Cowan said he did not plan to leave the Board until someone took his place.

22. DISCUSSION REGARDING BOARD/LIAISON APPOINTMENTS

Commissioner Hall explained that she had placed board/liaison appointments on the agenda due to some discussion via emails between the Board members. Commissioner Hall asked for comments from other Commissioners as to how they felt regarding the liaison appointments.

Chairman Chamberlain read from the applicable section of the Rowan County Code of Ordinances governing the Chairman's authority to make board/liaison appointments. The Chairman "shall have the authority to appoint committees, after consultation, for the study and review of any issues and shall appoint board members to the committees as well as to any county advisory boards for liaison purposes."

Commissioner Sides said many of the boards on the list are self-standing boards such as Rowan-Cabarrus Community College, Rowan-Salisbury Schools, Emergency Services and the Rescue Squad and he felt these appointments should be made by the full Board. Commissioner Sides said the Board needed a definition by the County Attorney as to "What is a committee that has been

appointed by this Board; what is an advisory committee; what is an advisory board?"

Commissioner Mitchell asked the Board to consider an appointment to the Board of Health as his term had expired. Commissioner Mitchell said he was willing to continue to serve if nominated.

Commissioner Hall nominated Commissioner Mitchell to serve on the Board of Health. The nomination was seconded by Chairman Chamberlain and passed unanimously.

Commissioner Mitchell suggested that if the County Attorney determines that procedures have been incorrectly followed in the past, then the Board would need to change the procedures by rule.

Commissioner Hall concurred with Commissioner Mitchell and asked the County Attorney to report back on the issue at the next meeting.

23. PUBLIC COMMENT PERIOD

This agenda item was moved to agenda item #4a.

24. ADJOURNMENT

There being no further business to come before the Board, Commissioner Mitchell moved to adjourn at 11:00 pm. The motion was seconded by Commissioner Barber and passed unanimously.

Respectfully Submitted,

Carolyn Athey
Clerk to the Board