

**ROWAN COUNTY BOARD OF COMMISSIONERS  
ANNUAL PLANNING RETREAT  
FEBRUARY 14 & 15, 2006 – 8:00 AM  
SOUTH ROWAN REGIONAL LIBRARY CONFERENCE ROOM**

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Present: Arnold S. Chamberlain, Chairman  
Jim Sides, Vice-Chairman  
Steve Blount, Member  
Frank Tadlock, Member  
Chad Mitchell, Member

County Manager William Cowan and Clerk to the Board Carolyn Athey were also present.

**OPENING SESSION**

Chairman Chamberlain called the meeting to order at 8:00 am.

Commissioners Tadlock and Blount arrived at 8:05 am. Commissioner Mitchell arrived at 8:25 am.

At 8:05 am, Chairman Chamberlain introduced Facilitator Dr. Steve Hiatt. Dr. Hiatt, a native of Mount Airy, NC, provided the Board with a brief background regarding his education. Dr. Hiatt has been employed by Catawba College since 1987.

Chairman Chamberlain provided the Invocation and led the Pledge of Allegiance.

**Chairman's Opening Remarks**

Chairman Chamberlain said the current retreat was his first in the role of Chairman of the Board. Chairman Chamberlain said he would turn the meeting over to Dr. Hiatt, who would assist the Board in following the "ground rules." Chairman Chamberlain described the agenda as an aggressive agenda and said the Board would not be voting but hearing information that would be beneficial to budget preparations.

Dr. Hiatt explained that his objective was to keep the retreat on track and to keep the discussions moving. Dr. Hiatt posed several questions that he said the Board should consider for each presentation.

**PROPOSED INCENTIVE POLICY**

Randy Harrell, Executive Director of the Economic Development Commission provided a handout and discussed incentives. Mr. Harrell reviewed what other counties in the region are offering in the way of incentives and he also presented a proposed investment grant program for the Board to consider adopting.

Commissioner Mitchell referred to incentives that had been offered in the past and he asked if a study had been done to determine if the incentives had been made up. Commissioner Blount responded that no blanket study had been done.

Dr. Hiatt said he understood the presentation was an effort to establish a systematic approach so that when a company wanted to locate in Rowan County, everyone involved knew what was offered.

Commissioner Sides raised the issue of companies that under-report their equipment and Commissioner Mitchell agreed that those under-reporting should be addressed in the policy with a penalty system.

Dr. Hiatt commented that it appeared that everyone was in agreement that the policy was good but that there were other issues that should be also be addressed.

Commissioner Blount suggested that the Board request the Charlotte Regional Partnership, which consists of approximately 16 counties, to ask all of those counties to agree to a maximum incentive to be offered for the region. Commissioner Blount said incentives could be reduced even further in several years. Commissioner Blount said if the state would not provide the leadership in an effort to eliminate incentives, then the partnership could assist.

Commissioner Sides said he was totally against incentives and would not vote for them.

Chairman Chamberlain asked Mr. Harrell if the entire Economic Development Commission Board had seen the proposal being presented and Mr. Harrell responded no.

It was agreed that the plan should be sent back to the Economic Development Commission Board with the Commissioners comments.

Mr. Harrell said he would report back to the Board of Commissioners as soon as possible.

### **THE FUTURE OF VOLUNTEERISM IN PUBLIC SAFETY**

Coyt Karkiker of the Rowan County Rescue Squad and Mike Zimmerman, Chief of the Bostian Heights Volunteer Fire Department, discussed the decline of volunteerism in public safety.

Mr. Karkiker reviewed the continuing education requirements for public safety volunteers and said many people don't have the time to commit to meet the requirements.

Mr. Zimmerman discussed retention of volunteers and said departments had started providing incentives such as retirement, per call fees, payment of a benevolence fund, etc. Mr. Zimmerman said the younger crowd had to be enticed in order to get them to volunteer. Mr. Zimmerman said many of those who will be retiring in the near future had possessed skills that they had volunteered to the departments, such as

engineering/mechanical skills. Mr. Zimmerman said the younger generation expects to be paid for these services.

Mr. Karriker said it has become a challenge to keep volunteers who have achieved various levels of qualifications.

Mr. Zimmerman said it would cost the County \$65 million to pay for the required personnel.

Commissioner Sides said the day would come when the County will probably not be able to rely on volunteers and would have to have paid staff. Commissioner Sides said the stations would have to be consolidated, as there was no way the County could maintain so many stations.

Chairman Chamberlain suggested that a feasibility study be done in an effort to determine if it was time for a County Fire/Rescue Agency.

Commissioner Blount agreed that at some point and time there must be a countywide public safety department. Commissioner Blount also praised the volunteers who he said have done a great job. Commissioner Blount also agreed that it was time to have the feasibility study

Dr. Hiatt said he understood the discussion to be a planning process for addressing future needs.

### **APGI YADKIN RELICENSING PROJECT**

Kathryn Jolly and Greg Green of the Rowan County Environmental Services Department discussed the APGI Yadkin Relicensing Project. Mr. Greene presented a power point presentation and highlighted the background regarding the issue.

Mr. Greene said the future operation of High Rock Lake could have a significant impact on:

- Environmental and Water Quality Issues
- Economic Development
- Recreational Opportunities
- Tourist Attraction

Mr. Greene posed the following questions:

1. How important are higher, stable lake levels?
2. How important is mitigation of sediment deposition?
3. What do we desire for recreation facilities?
4. Does Rowan County want land appropriated to it from ALCOA for public access?

Mr. Greene reviewed the points to consider for High Rock Lake levels and also public access and recreational facilities. Mr. Greene pointed out that there are currently no public access swimming areas on the Rowan County side of High Rock Lake.

Dr. Hiatt asked what the Board would like to see done.

Chairman Chamberlain felt the Board should make the following clear to ALCOA:

- To have as much water as possible in the lake at all times
- The County is interested in the environment
- ALCOA should act like Rowan County exists in terms of all access

Jerry Rowland, County Assessor, discussed the valuation principles regarding High Rock Lake. Mr. Rowland said as time had passed, the use had changed primarily to recreational. Mr. Rowland predicted the land value around the lake would increase if lake levels would remain more constant.

Ms. Jolly said the County should vote for most the conservative lake level it could get. Ms. Jolly said there was 2 issues the County was concerned with, 1) acceptance of property, and 2) lake levels. Ms. Jolly agreed with Chairman Chamberlain that there would probably be “strings attached” if property were given to the County by ALCOA. Chairman Chamberlain said he did not want to accept the property with the strings that might be attached.

Ms. Jolly said she had asked 3 times but not received an answer as to where the property is located.

Commissioner Mitchell said he would rather see the facility owned and operated by ALCOA.

Ms. Jolly said the relicensing process is for 50 years.

Dr. Hiatt polled the Commissioner regarding acceptance of the land from ALCOA and Commissioners Chamberlain and Mitchell said they did not wish to accept the land. Commissioner Tadlock said he did not wish to accept the land at the expense of the water level. Commissioner Sides said he had no comment and Commissioner Blount said he felt the Board should accept the property.

Commissioner Blount said the Board should go on record supporting Salisbury’s efforts as its water source, which serves 40% of the County’s citizens. Commissioner Sides agreed.

Dr. Hiatt noted three (3) items of consensus from the Board pertaining to the issue:

1. Support the most conservative lake level
2. Accept the property from ALCOA as long as the County can dispose of it, if it is not desirable
3. Support Salisbury’s effort to mitigate sediment problems

Chairman Chamberlain advised Ms. Jolly and Mr. Greene to let the County Manager know if they wished for him or a Commissioner to be present for the vote.

## **LUNCH**

Chairman Chamberlain recessed the meeting for lunch at 11:30 am.

Chairman Chamberlain reconvened the meeting at 12:40 pm.

## **CAPITAL PROJECT NEEDS/ DEBT SERVICE PROJECTS**

### **Detention Center Pod**

Major Tim Bost of the Rowan County Sheriff's Department along with Architect Paul Bonsal discussed the needs of the Rowan County Detention Center. Major Bost explained that while completion of the unfinished POD would provide an additional 48 beds, it would not resolve the overcrowding issue.

Major Bost commended the Pretrial Program and said it very clearly works to reduce the jail population.

Major Bost said no expansion of the facility should occur without consideration being given to the impact on staffing, etc.

Mr. Bonsal discussed completing the unfinished pod and estimated the cost at approximately \$2 million, which did not include architectural fees. Mr. Bonsal estimated the construction could be completed in approximately 4 to 5 months with 8 to 10 months needed in terms of design, selecting a contractor, etc.

Major Bost said the Board would face approximately 6 additional staff members and extra costs due to utilities.

### **South Rowan Sheriff's Office**

Sheriff Wilhelm and Major Tim Bost discussed the South Rowan Sheriff's Office. Sheriff Wilhelm asked the Board to help him continue providing services in southern Rowan. Sheriff Wilhelm used a power point presentation as he discussed the increased calls for the area. Sheriff Wilhelm said he wished to promote use of the Sheriff's Department outside of the courthouse and he explained that the old library facility would enable citizens to utilize the facility to pick up reports, enhance response times for the deputies, etc. Sheriff Wilhelm said the Highway 70 corridor was the next growth area to be targeted.

Mr. Cowan estimated the costs for the request at approximately \$15,000. Mr. Cowan said there is a deed restriction on the property and that the County Attorney was going through the process to obtain a clear title.

By consensus the Board agreed to consider the Detention Center POD and South Rowan Sheriff's Office during budget deliberations.

### **Courthouse System Needs**

Superior Court Judge Larry Ford and John Cappers from ADW Architects reviewed the courthouse system needs. Judge Ford thanked the Board for its support in the past, especially for the security system, new courtrooms, etc.

Judge Ford said 8 years ago, staff met and submitted a priority list to the Board of Commissioners and that the list had been completed with the exception of the unfinished POD. Judge Ford said the Pretrial System had done a great job in releasing detainees from jail but that it would not, by itself, solve the overcrowding situation.

Judge Ford discussed the courthouse system needs. Judge Ford said there is currently only one Superior courtroom.

Judge Ford said a parking deck was needed in conjunction with the City of Salisbury. Judge Ford also encouraged the Board to consider “sprucing up” the area for the Probation Officers.

Mr. Cappers provided the Board with a handout and discussed the Rowan County Justice Center Rufty Building and upfitting the open space for Probation and Parole staff. Mr. Cappers said most of costs would be for plumbing, mechanical and electrical systems.

Mr. Cappers reviewed the Rowan County Justice Center Historic Courthouse Building and highlighted the renovations needed for creating an additional courtroom.

### **RCCC Classroom Building**

Dr. Dick Brownell and Dr. Jerry Chandler were present as well as several members of the RCCC Board of Trustees.

Dr. Brownell presented the needs for additional classroom and laboratory space. Dr. Brownell said both projects are considered as priority.

Dr. Brownell discussed the statewide Community College bond referendum that was approved in 2000. Dr. Brownell said RCCC was requesting a match of \$3,659,365 from the County in order to receive state funds in the amount of \$5,207,129.

Dr. Chandler presented the projected schedule for construction of the RCCC instructional facility. The design phase was scheduled for October of 2006 and end of construction in April of 2009.

Commissioner Sides said he supported the request.

### **Airport Improvements**

Carl Ellington from Talbert & Bright Engineering reviewed the projects slated for the Rowan County Airport for the next 5 years. Mr. Ellington explained that the projects were divided into the following three (3) areas:

- Master Plan & Planning (land acquisition; development/capital improvement)

- Operations
- Project Implementation (construction)

Mr. Ellington reviewed the project listing for Rowan County for the 2007-2011 TIP. Mr. Ellington said if all projects were funded, the County would be obligated to a ten percent match. Mr. Ellington mentioned that the federal government would like for counties to own the property in the runway protection zone (RPZ) and that Rowan County does not currently own the land in this zone. Mr. Ellington said staff provided a figure of approximately \$3,335,000.00 regarding the purchase of RPZ property.

Commissioner Blount said at some point the Board would need to address if it wanted to continue to pursue the idea of extending the runway.

Mr. Ellington said the Board would need to do an airport layout drawing update regardless of what is done with any study. Mr. Ellington said there needs to be a document of file that shows where county is now and where it plans to go in future. Mr. Ellington said the State recommends the updated document in conjunction with a feasibility of a runway extension. Mr. Ellington recommended that the County, at a minimum, do the update in order to get funding for the other items.

Mr. Ellington said he would be glad to schedule a work session with the Board.

#### **Airport Maintenance Facility**

Airport Manager Tony Hankerson and Ken Deal, Director of Administration were present to discuss the Airport Maintenance Facility.

Mr. Deal said when the County acquired the airport, it also acquired the maintenance operations. Mr. Deal estimated that the current maintenance hangar was built in the 1950's and he suggested the possibility building a new maintenance facility adjacent to the old one, and using the older hangar for storage. Mr. Deal estimated the cost for the new hangar at approximately \$600,000.

#### **Rowan Transit Administrative Office and Parking Area**

Clyde Fahnestock, Senior Services Director, said the RTS fleet of vehicles and offices were located in the school system's old bus garage facility. Mr. Fahnestock said the RTS 10-year lease for use of the facility expired this past November and that Rowan-Salisbury Schools had advised that they would like the office space back. Mr. Fahnestock said RTS must find another location by June 30, 2006. Mr. Fahnestock said one option that might allow RTS to continue to use the facility was to bring in a mobile unit. Mr. Fahnestock explained that in knowing RTS would be forced to go into an open commercial area, he had asked for more funding and if approved, RTS could pay the school system substantially more for the lease.

Chairman Chamberlain asked County Manager William Cowan to bring the issue to the Board during budget session.

### **Central Warehouse and Maintenance Facility**

Ken Deal, Director of Administration and John Cappers from ADW Architects presented the information pertaining to the Central Warehouse and Maintenance Facility. Mr. Deal explained that the County was currently renting 2 facilities for the maintenance staff and that the County has paid almost \$600,000 in rent since 1988.

Mr. Deal said the County also pays \$700 per month to Love's Auto Repair to rent one bay. Mr. Deal said the County has spent approximately \$100,000 in rent since 1994 for this facility.

Mr. Deal reviewed the need for a new facility.

### **Rowan Salisbury Schools Central Office**

Bryce Beard, Chairman of the Board of Education and Jim Christy, Associate Superintendent from the Rowan-Salisbury School System (RSS) were present to discuss the central office issue.

Mr. Beard said ultimately it was in the best interest of RSS to have a central office and he discussed the disadvantages of having the technology department located in an unsuitable environment, as well as the inefficiency of having Human Resources and Payroll in different locations.

Mr. Beard talked about the options for rental space in downtown Salisbury where furniture, technology wiring and climate-controlled rooms already exist. Mr. Beard said RSS would not pay taxes on this facility. Mr. Beard said a second option was building a multi-purpose site and that RSS would lease the top portion with the bottom half being used for retail space. The third option was to build a centrally located facility that would house all departments on Old Concord Road.

Commissioner Blount asked about the school system's preference and Mr. Beard responded that he could only speak for himself. Mr. Beard said the lease option offered from the Salisbury Post seemed to be a favorable option, which was \$6.50 per square foot. Mr. Beard said the lease option would provide an opportunity to see if a downtown location would be feasible.

Mr. Christy said the reasons for needing a new central office had previously been presented to the Board of Commissioners and that direction was needed since the Board controlled the funding.

Commissioner Sides felt that RSS should complete the school construction projects before discussing a central office. Commissioner Sides said he would rather see the school system build a new building as opposed to leasing or renting another facility.

Commissioner Blount said RSS was in an obsolete space and he agreed with the need for a central office.

Chairman Chamberlain said he would like to see RSS temporarily lease the property from the Salisbury Post until the (2) boards could decide what to do about a new facility. Chairman Chamberlain said leasing the Post property would alleviate the concerns for the technology and payroll departments.

Commissioner Mitchell said if the Salisbury Post property was a break-even situation then he couldn't see how leasing the facility could hurt.

### **I-85 Town Creek Sewer Project**

City of Salisbury staff members Matt Bernhardt, Assistant City Manager for Utilities and Jim Beamer/Utilities Engineering Manager, along with Don Garber of Pease & Associates were present to discuss the I-85 Town Creek Sewer Project.

Mr. Bernhardt provided a power point presentation regarding the project, explaining that I-85 was a primary growth corridor for Rowan County, however sewer service was not currently available in the corridor. Mr. Bernhardt highlighted the significant potential for growth and development of tax and employment.

Mr. Bernhardt said the project cost estimate was \$6.5 million with a project completion date of December 2008 and that the estimate and schedule was based on the City/County agreement by March 1, 2006.

Mr. Garber reviewed the cost estimate (\$6.5 million) for the Town Creek Sewer Interceptor. Mr. Garber said he was comfortable with the costs if the project proceeds now. Mr. Garber also discussed the construction schedule.

By consensus the Board agreed to move forward with the project.

### **Salisbury EMS Station**

Frank Thomason, Emergency Services Director, provided an update regarding the Salisbury EMS Station. Mr. Thomason presented a map, which detailed the response area for the Salisbury station. Mr. Thomason said the call volume made it apparent where the station should be located. Mr. Thomason said the site should be centrally located in Salisbury and he continued by highlighting the building information.

Mr. Thomason reported that the budgeted amount was \$500,000 and that he felt estimated costs were close to this figure.

Mr. Cowan estimated the County was 60 to 90 days away from moving forward on the project.

### **Fairground Lease**

Chairman Chamberlain discussed the Fairgrounds Lease, which expires in November of 2007. Chairman Chamberlain said the Board would need to reach a decision regarding the fairgrounds property.

Commissioner Mitchell said he would like to see the fair moved to another location, if for no other reason, than to see the current site used for industrial development.

Commissioner Blount concurred with Commissioner Mitchell. Commissioner Blount suggested an annual lease at that point.

Chairman Chamberlain said it would be “tough to get them to pitch in with us” for an annual lease. Chairman Chamberlain said the Fair Association would like to know of the Board’s plans and he added that he would hate for Rowan County not to have a fair.

Dr. Hiatt said that the Board would consider prioritization of the issues on the following day.

Chairman Chamberlain recessed the meeting at 4:20 pm.

**WEDNESDAY, FEBRUARY 15, 2006**

Chairman Chamberlain reconvened meeting at 8:00 am and also provided the Invocation.

**AIRPORT LEASES, SPECIAL LEGISLATION FOR LEASES RELATED TO THE AIRPORT**

County Attorney Jay Dees said the County was close to completing the t-hangar construction at the airport for Phase II. Mr. Dees provided the Board with a proposed ground lease for the hangars.

Mr. Dees explained that an information sheet had been mailed approximately one year ago to perspective hangar owners regarding the purchase of the t-hangars. Mr. Dees said the information sheet offered terms that the County couldn't legally offer at this point, specifically regarding the terms of the agreement.

Mr. Dees discussed the agreement terms and said the County could only offer a lease for 10 years without going through a public sale proceeding. Mr. Dees discussed the possibility of a local bill, which would grant the County the authority to enter leases longer than 10 years without a public hearing, up to a term that is established by the local act.

There was a brief discussion regarding the purchase price of the hangars and the sale and assignment of the hangars. Mr. Dees said the issue pertaining to default also needed to be resolved.

Mr. Dees explained that it was the general conclusion of Mr. Cowan, Mr. Deal and himself, that the County needed a more comprehensive plan for selling the hangars. He recommended that the County Manager, along with two others, come up with a general outline to facilitate the sale of the hangars.

After further discussion regarding the terms of the lease, Chairman Chamberlain appointed a committee to develop a plan for selling the hangars. Those who agreed to serve on the committee were Commissioners Blount and Mitchell, Ken Deal and Mr. Dees.

**ROWAN JOBS INITIATIVE/COMMITTEE OF 100**

Dyke Messinger of Rowan Jobs Initiative (RJI) explained that RJI was a public/private partnership, which was initiated by the Committee of 100. Mr. Messinger said RJI received \$150,000 in seed money from the Commissioners in an effort to market Rowan County. Mr. Messinger said RJI had established a brand known as "Available for Work" that would be printed in national publications, used in email signatures, business websites, etc to attract business to Rowan County.

Mr. Messinger reviewed the three goals of RJI:

1. Double the number of inquiries into the EDC office.
2. Increase site visits by 25%.

3. See 300 jobs created within 2 years, beginning from the middle of 2006 through the middle of 2008.

### **LAND USE PLAN, WHY DO WE NEED ONE?**

Rowan County Planning Manager Ed Muire provided a power point presentation and said land use planning is important for the following reasons:

1. Generates revenue – 50% of the County’s budget is derived from property taxes
2. Affects property values – adjacent land uses or structures affect property value
3. Public interest in changes – Citizens are interested in what goes on in their neighborhood.

Mr. Muire said the plan could provide the following for the County:

- Basis for legislative actions
- Decision-making tool for rezonings and conditional use permits
- Provide basis for legal challenges
- Anticipate capital improvement expenditures
- Accountability
- Insurance policy - for perspective home buyers and/or developers to know what will happen in a particular area
- Statutory requirement - The General Statutes require that decisions be based on some type of plan.

Mr. Muire said some common misconceptions for land use planning are:

- Goal is to stop growth
- Land use plan is zoning
- Status quo

The Staff recommendations presented by Mr. Muire were:

- Countywide study
  - a. Land use design
  - b. Land classification
  - c. Verbal policy
- Area study
- Corridor study
- Ordinance revisions

Mr. Muire asked, “What do we do next, if anything at all?”

Commissioner Blount distributed several maps, which indicated the sporadic growth within the County since 1984. Commissioner Blount felt it was critical for the Board to work to create a consensus for a plan.

Chairman Chamberlain said he and Commissioner Blount agree that some type of land use planning must take place. Chairman Chamberlain said the Board had previously agreed to continue with a land use planning concept. Chairman Chamberlain said he,

along with Commissioner Blount would like to see the process continue and he asked the opinion of the other Commissioners.

Commissioner Sides said he had never signed on to proceed with a land use plan.

Commissioner Mitchell said he had no problem with the process continuing. Commissioner Mitchell pointed out that a recent rezoning issue was an example of the fact that people might not be aware of plans for their area. Commissioner Mitchell said he had no problem using a map as a general resource to depict what is foreseen for particular areas.

Commissioner Tadlock mentioned the upcoming election and the possibility of 3 new board members. Commissioner Tadlock said he felt there was nothing wrong with the current Board voting for “some of these changes now” but he said he wanted there to be some continuity with new Board.

Commissioner Sides said he was not willing to do a comprehensive plan for land use planning.

After further discussion, Chairman Chamberlain asked Mr. Muire to contact Benchmark/CMR of Kannapolis and request that a presentation be made to the Board in March to determine which direction the Board wished to take regarding a possible land use plan.

### **HOME PROGRAM**

Rowan County Planning Manager Ed Muire and Steve Osborne from the City of Concord discussed the HOME Program.

Mr. Muire reported that in August of 2005 the Cabarrus/Rowan/Iredell Home Consortium had approached the Board for approval of a joint resolution. Mr. Muire continued to explain that Commissioner Sides had asked if Rowan was a participating member of the consortium. Mr. Muire said Rowan County was not but that an interest was expressed for County participation.

Mr. Muire distributed the proposed consortium budget for FY 2006-07.

Mr. Osborne reviewed the total grant, which was for \$1,166,155.00. Mr. Osborne said the funds are divided up based on population and that Rowan County would receive \$258,000 if it chose to participate. Mr. Osborne said the grant requires a 25% match from the County in the amount of \$64,658.50. Mr. Osborne reviewed the criteria regarding the match.

By consensus, the Board favored funding for the program.

## **DISCUSSION ON SURPLUS COUNTY PROPERTY**

County Manager William Cowan distributed a list of properties in the name of Rowan County. Mr. Cowan asked if the Board wished to continue to hold the properties or sell them through auction or upset bid process.

By consensus, the Board asked that Staff provide the history behind each property and make a recommendation as to whether the County should sell or keep each property.

## **BUDGET ISSUES FOR FISCAL YEAR 2006/07**

### **a. NCACC Medicaid Relief Proposal**

County Manager William Cowan explained that North Carolina is the only state that requires its counties to help finance all Medicaid Services. Mr. Cowan said a task force was formed to review and recommend options to eliminate county Medicaid financing in whole or in part. Mr. Cowan reviewed the task force recommendations, which included enacting a one-cent local sales tax trade.

### **b. Retiree Insurance**

Ken Deal, Director of Administration reported that there are currently 21 individuals receiving county-paid health coverage. Mr. Deal reviewed the expenditures for retirees' health insurance, which reflected an annual net cost per employee of approximately \$2,000.

Mr. Deal distributed a handout that compared the benefits of surrounding counties.

Commissioner Sides referred to insurance/benefits for employees and he expressed concern with the County making commitments that it could not keep. Commissioner Sides felt there were benefit areas that were liberal and could be scaled back. Commissioner Sides also briefly discussed merit raises/bonuses.

Commissioner Blount said the investment the County spends in training its employees is lost when those employees leave and go to work for another county. Commissioner Blount said the County discovered 12 years ago that it was not paying competitive wages as compared to other counties/municipalities and therefore the County had implemented a 4-year plan to bring the pay scale up. Commissioner Blount said the County had established a policy to evaluate employees' salaries each year to remain competitive and part of the competitive package is the benefits.

## **LUNCH**

Chairman Chamberlain recessed the meeting for lunch at 11:20 am.

Chairman Chamberlain reconvened the meeting at 12:30 pm.

c. **Part-time Employee Benefits**

Ken Deal explained that the part-time benefited employees have the option to purchase health care and pay for a percentage of their coverage. Mr. Deal said part-time employees must work 50% to be eligible and that benefits are prorated based on the number of hours worked.

d. **Employee Health Insurance Program**

Ken Deal reviewed the health care insurance and said the County had paid \$596 per employee, per month for last year. Mr. Deal highlighted several options to aid in reducing the cost of the health care payments.

e. **Employee Benefits**

Ken Deal reviewed the breakdown of benefits offered to County employees. Mr. Deal said the average age of a fulltime employee is 44 years; the average years of service is 9 and the average salary is \$35,184. Mr. Deal said the average bonus in 2005 was \$399.

Mr. Deal discussed the cost-of-living adjustments (COLA) and said based on the consumer price index, COLA for this year would be 3.4%. Finance Director Leslie Heidrick added that the 3.4% equated to \$953,000 and covered all benefits.

f. **Revenue Projections/Major Expenditures**

County Manager William Cowan reviewed statistical information regarding revenues from 1996 through 2005. Mr. Cowan said revenues had increased over a 6-year period by \$23,194,000 with over half coming from revaluations.

Mr. Cowan said the projected increase in new revenue for the General Fund for fiscal year 2007 was estimated at \$2.3 million.

Mr. Cowan highlighted the estimated total expenditures for fiscal year 2006.

Mr. Cowan said the County currently has a reasonable fund balance and he reported that the Local Government Commission (LGC) recommends a minimum 8% fund balance. Mr. Cowan said the LGC also recommends that counties keep their fund balance at/near where peer counties are, which in Rowan County's case would be 19%. Mr. Cowan said Rowan County currently has a 28% fund balance, which meant approximately \$5 million from reserves could be spent. Mr. Cowan encouraged the Board to spend any reserve funds wisely.

Mr. Cowan asked what restrictions the Board wanted to place on Staff regarding the tax rate and budget preparations. Commissioner Sides responded, "No tax increase."

Chairman Chamberlain was optimistic that the Board might possibly be able to grant some of the requests that had been made without a tax increase.

Mr. Cowan questioned the history of funding requests received from Rowan-Salisbury Schools and Commissioner Blount responded that the request had been "tied" to the state average for several years but the County was now "almost back

to where we started from” as far as per pupil expenditures. Commissioner Blount said he would like for the County to reverse the trend and raise the funding level. Commissioner Blount said RSS had asked for approximately \$2 to \$2.5 million the past year.

Commissioner Sides said he had felt the Board should have cut the request by \$1 million as the school system had still had \$1.8 million in reserves in its fund balance.

Chairman Chamberlain said while he understood Commissioner Sides’ comments, he would like to see the funding tied back to the state average.

Commissioner Blount referred to Mr. Cowan’s question and said he was in agreement for using the fund balance for one-time expenses but not for ongoing expenses. Commissioner Blount said if the projected revenues would not cover the projected expenses, the Board must consider raising taxes.

Commissioner Sides felt 19% was a good cushion for fund balance when the recommended minimum was 8%. Commissioner Sides suggested that the Board should not go below the 19% but said he had no “fear spending the rest of that.”

Mr. Cowan asked what COLA percentage the Board wanted to use for its employees.

Chairman Chamberlain said the County should stop calling the pay increase “COLA” if it was not going to follow the recommended percentage. Chairman Chamberlain said as long as the budget could handle the percentage, then Board should go by the 3.4%.

Commissioner Blount said the 3.4% was a realistic number provided by the government.

Commissioner Mitchell said he was unhappy that employees had taken a 1.7% cut in pay over the past several years. Commissioner Mitchell said he would like to see the County get as close to the 3.4% as possible and that the Board should also take into consideration any changes to insurance, etc. when making cuts to employees.

Mr. Cowan questioned merit pay and said last year \$250,000 was allocated to bonuses for employees.

Commissioner Mitchell again stressed that the Board should look carefully at the overall package to ensure that employees did not receive a significant cut to their compensation through COLA, health benefits and bonus/merit pay.

Chairman Chamberlain said he believed in merit pay but that he believed stronger in the merit bonus.

Commissioner Blount said 12 years ago employees were underpaid and the County had undergone a 4-year plan to bring the salaries in line, with part of the adjustment process being the merit pay. Commissioner Blount said the County should definitely implement 3.4% COLA and that he felt “we’re deluding ourselves” pertaining to merit bonus versus merit pay.

Mr. Cowan asked for consensus on merit pay and Commissioner Mitchell said he did not mind keeping merit as bonus pay as long as all other facets of employee compensation were considered.

Mr. Cowan asked if the Board would be upset if he were to come back with a recommendation to restore merit pay and Chairman Chamberlain said Mr. Cowan should provide the Board with figures in the form of a proposal and not a recommendation. Chairman Chamberlain said he agreed with Commissioner Mitchell for the Board to consider the “whole package” for employees.

**g. Tax Rate, Fee Adjustments**

Mr. Cowan questioned the Board regarding fee adjustments and Commissioner Blount suggested that Mr. Cowan compare for inequities. (The Board had responded earlier in the day to a query from Mr. Cowan pertaining to a possible tax increase).

## COMMISSIONERS BUDGET PRIORITIES

Dr. Hiatt polled the Board regarding each matter that had been presented for consideration in the upcoming budget. No votes were taken on any of the issues and the following reflects the Board's priorities of each subject:

### ROWAN COUNTY COMMISSIONERS' PRIORITIES 2006 Commissioners Retreat

Project	Priorities						Average	Dates	Million	Thousands	
	Chamberlain	Sides	Tadlock	Blount	Mitchell	Cost			Debt		
RCCC Classroom Building	10	10	10	10	10	10	1	2006	3.66	454	
Salisbury EMS Station	10	8	10	10	9	9.4	2	2006	0.5	0.5	
I-85 Sewer Project	10	5	10	10	10	9	3	2006	3.25	452	
Airport Hanger Lease Plan	10	8	8	10	9	9	4	2006	0	0	
Detention Pod Center	7	10	10	6	9	8.4	5	2006	2	330	
Rowan Jobs Initiative	10	0	10	10	9	7.8	6	2006			
Airport Improvements	6	7	8	10	5	7.2	7	2007	0.66		
Fairground Lease--Year to Year	3	4	10	10	5	6.4	8	2007			
Courthouse Needs	5	6	8	6	6	6.2	9	????	1.936	380	
School Central Office	6	0	7	9	9	6.2	10				
S. Rowan Sheriff's Office	6	4	7	6	6	5.8	11	2006	0.0015	0.0015	
Central Warehouse	7	4	6	6	5	5.6	12	2007	3.2	505	
RTA Office & Parking Area	5	5	5	5	5	5	13				
Airport Maintenance Facility	5	3	4	6	4	4.4	14	2008	0.6		
Others								2007	1.4		
									<b>\$17.21</b>	2121.502	
									<b>2006</b>	<b>9.4115</b>	<b>1236.502</b>

## WRAP UP SESSION/ADJOURNMENT

Chairman Chamberlain expressed appreciation to each Commissioner individually for their input during the retreat. Chairman Chamberlain also declared Commissioner Tadlock's presence at the retreat as a "miracle," as he was still recovering from surgery/treatment for a brain tumor. Chairman Chamberlain also thanked Carolyn Athey, Ms. Heidrick, Mr. Deal and Mr. Cowan for their assistance with the retreat. Chairman Chamberlain described the retreat agenda as aggressive and he expressed appreciation to Dr. Hiatt for his expertise as the Facilitator.

Chairman Chamberlain praised the Library Staff for support and use of the facility.

Commissioner Tadlock said it had been challenging for him to attend the retreat but that he had enjoyed being able to participate. Commissioner Tadlock felt that prioritizing the projects would eventually help make them a reality. Commissioner Tadlock thanked everyone for their participation.

Chairman Chamberlain ended the retreat with prayer and with no further discussion, the retreat was adjourned at 2:45 pm.