

**MINUTES OF THE MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS
December 17, 2007 – 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.

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

CONSIDER APPROVAL OF THE MINUTES

Commissioner Mitchell moved approval of the minutes from the December 3, 2007 Commission Meeting. The motion was seconded by Commissioner Barber and passed unanimously.

CONSIDER ADDITIONS TO THE AGENDA

Commissioner Mitchell referred to correspondence received from the North Carolina Department of Transportation requesting the addition of Bay Ridge Drive to the State Secondary Road System for maintenance. Commissioner Mitchell moved to add the request to the Consent Agenda. The motion was seconded by Commissioner Sides and passed unanimously.

Chairman Chamberlain added the request as Consent Agenda item E.

CONSIDER DELETIONS FROM THE AGENDA

There were no deletions from the agenda.

CONSIDER APPROVAL OF THE AGENDA

Commissioner Sides moved, Commissioner Mitchell seconded and the vote to approve the agenda passed unanimously.

1. CONSIDER APPROVAL OF THE CONSENT AGENDA

Commissioner Sides moved approval of the Consent Agenda.

Commissioner Sides referred to item B and said that he, Commissioner Hall and County Manager William Cowan had visited the site and his questions regarding the easement had been answered. Commissioner Sides expressed concern that when they had visited the site, the right of way had already been cut and the process of putting the sewer lines in had started. Commissioner Sides said in the future the Board should approve any right of way before the work on the property begins.

The motion to approve the Consent Agenda was seconded by Commissioner Mitchell and passed unanimously.

The Consent Agenda consisted of the following items:

- A. Approval of Request from Health Department to Submit Fit Together Grant Application
- B. Approval of Right of Way and Easement for David L. Blaney in Speedway Business Park
- C. Schedule Quasi-Judicial Public Hearing for January 7, 2008 for Z 06-07 and CUP 08-07 for a Request from Karen Alexander
- D. Schedule a Public Hearing for January 7, 2008 for Z 07-07 for a Request from Joel Stofford and Nikolaos Georgiou

2. PUBLIC COMMENT PERIOD

Chairman Chamberlain opened the Public Comment Period to receive comments from any citizens wishing to address the Board. The following individuals came forward:

- Don Kiker of Castor Road in Faith addressed the Board on behalf of the Rowan County Fair Association (RCFA). Mr. Kiker discussed the benefits provided by the organization to the community. Mr. Kiker continued by saying the organization had the leadership, experience, volunteerism and assets to sponsor, manage and coordinate the fair. Mr. Kiker asked the Board to consider accepting the proposal submitted by the RCFA for management of the fair.

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

3. CONSIDER APPROVAL OF PERSONAL AND BLANKET BONDS FOR ROWAN COUNTY

Chairman Chamberlain said state law requires the Board to review personal and blanket bonds for selected county officials on an annual basis. Chairman Chamberlain said Risk Manager Tony Hilton had provided the Board with a memo explaining the state sets a maximum of \$25,000 for the Sheriff and \$50,000 for the Register of Deeds. The County sets the bonds for the Tax Collector and Finance Director at \$200,000 and carries a blanket bond on all County employees for up to \$300,000.

Commissioner Sides moved, Commissioner Hall seconded and the vote to approve the bonds as presented for 2007-08 passed unanimously.

4. PRESENTATION OF 2006-07 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Sam Leder from Potter & Company, P.A. provided the Board with a handout and reviewed the June 30, 2007 Comprehensive Annual Financial Report (CAFR) 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 was 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 by reviewing the graphs in the agenda packet. Mr. Leder noted that education was the largest expenditure and the majority of capital projects expenditures were for the school system.

Commissioner Sides inquired as to how much of the debt service was for the school system and Finance Director Leslie Heidrick said approximately \$9 million.

Mr. Leder discussed the County's population and school enrollment and commented that he keeps expecting these numbers to "balloon" but they have not yet done so. Mr. Leder said school enrollment has remained steady with the current year actually showing three (3) less students than the previous year.

Mr. Leder commended the Board for following the recommendation of previous audit reports in hiring an internal auditor.

Mr. Leder reviewed the recommendations of the audit report as follows:

- Assign a department supervisor to perform periodic independent review of personnel files to ensure compliance with legal requirements related to personnel recordkeeping.
- Timely submission of travel expense reimbursements.

- Member of management in the Register of Deeds Office to review each day's voids and system overrides and reconcile the daily deposit total with system activity reports.
- Supervisory review of all EIS input for State/County Special Assistance payments.

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

In response to a query from Commissioner Hall, Ms. Heidrick explained the bond rating system, which was referenced on page 2-5 of the CAFR. Ms. Heidrick summed up the County's rating by saying that the County has good management, a good history of management with its Board of Commissioners, maintains a reasonable fund balance and makes payments in a timely fashion. Ms. Heidrick said the economy is also a factor and the biggest negative for Rowan County appeared to be the per capita income, which was nothing the County could control except through industrial recruitment over time.

Commissioner Hall referred to page 3-22 of the CAFR and noted that Mr. Leder had pointed out the school system was basically unchanged in its growth pattern over the past 5 years. Commissioner Hall then referred to page 3-23 of the CAFR and noted the increased number of employees for the school system over a 10-year period. Commissioner Hall asked how many of the employees came from county funds. Commissioner Hall pointed out that the employee growth for the school system was over 30% while student growth was only 7.8%. Ms. Heidrick responded that she did not know the answer to Commissioner Hall's question but said she could seek an explanation from the school system.

Chairman Chamberlain thanked Mr. Leder for the report and he praised Ms. Heidrick for her leadership as Finance Director.

5. DISCUSSION REGARDING SALARY FOR INTERIM COUNTY MANAGER

Chairman Chamberlain recalled that during regular session on December 3, 2007, the Board had appointed Finance Director Leslie Heidrick to begin serving as the Interim County Manager, effective January 1, 2008. Chairman Chamberlain said the Board had delayed a decision regarding Ms. Heidrick's salary until the December 17, 2007 Commission Meeting.

Commissioner Mitchell called the Director of Administration, Ken Deal, forward. Commissioner Mitchell asked what the starting salary should be for a manager with no experience based on surrounding counties. Mr. Deal estimated the starting salary would be in the range of \$130,000-\$150,000 for counties of similar size.

Commissioner Mitchell said based on the information just provided by Mr. Deal, he had no problem setting Ms. Heidrick's salary at \$130,500 for the length of time

in which she serves as Interim County Manager. Commissioner Mitchell moved to raise Ms. Heidrick's salary an additional \$2,536 per month. Commissioner Barber seconded and the motion passed unanimously.

Chairman Chamberlain said Ms. Heidrick's salary would be \$130,515.22 beginning January 1, 2008.

6. DISCUSSION REGARDING REQUESTS FOR PROPOSALS FOR MANAGEMENT OF ROWAN COUNTY AGRICULTURAL AND INDUSTRIAL FAIR

Chairman Chamberlain reported that the Board had received one proposal in response to the Request for Proposals (RFP) for the management and operation of the Rowan County Agricultural and Industrial Fair. The proposal was received from the Rowan County Fair Association (RCFA).

Commissioner Mitchell moved to enter into negotiations with the RCFA to finalize a contract to be brought back to the Board for final approval for operations of the fair. The motion was seconded by Commissioner Barber.

Commissioner Mitchell confirmed to Chairman Chamberlain the motion would allow the RCFA to put on the fair for the next 3 years based on a negotiated contract.

Commissioner Barber said the Board had previously discussed an annual minimum fee to cover the County's costs for maintaining the fairgrounds property. Commissioner Barber said he had met with Finance Director Leslie Heidrick and she had estimated it would cost approximately \$10,646 to hold the fair for one week. Commissioner Barber said the proposal by the RCFA offered the County \$20,000, which was above the County's estimated costs and he pointed out that the proposal offered to pay three (3) years in advance. Commissioner Barber felt the Board should address the issue of criminal background checks being for more than just the people heading up the RCFA. Commissioner Barber said he was impressed with the proposal; he finished by saying he felt the Board could have dealt with negotiations with a 50-plus year partner differently and he apologized to the RCFA.

Commissioner Mitchell asked if Commissioner Barber wanted to expand the criminal background checks. Commissioner Barber said the Board had previously discussed requiring a criminal background check for any volunteer helping with the fair.

Chairman Chamberlain said in terms of background checks, there are some misdemeanors that are serious and if a background check comes back with a misdemeanor charge of a certain nature, the individual should not be allowed to work at the fair. Chairman Chamberlain said the issue could be discussed in contract negotiations.

Commissioner Sides said the RCFA had made positive changes within their organization. Commissioner Sides said he had made statements about the Jaycees getting back to the basics of what they stood for and he made no apologies for those comments. Commissioner Sides apologized if he was to blame for any negativity that was drawn from the changes; however he said he would not apologize for asking for information. Commissioner Sides said the RCFA had been extremely forthcoming with information since the changes in its administration had occurred and he said the 2007 fair was the best fair Rowan County ever had.

Commissioner Sides felt the County needed to prepare for economic development along 1-85 and that a cancellation clause should be included in the contract. Commissioner Sides said in the event the County received an offer to purchase the fairgrounds property, he would also like for the contract to include a clause that stated the property could not be bought until the fair for that year was over.

Commissioner Sides referred to the estimate mentioned by Commissioner Barber (\$10,646) and said he felt there were more costs involved, including problems that had been identified on the property pertaining to food booths and electrical issues that did not meet minimum standards. Commissioner Sides said the County should meet the minimum standards and there would be costs associated in meeting those standards. Commissioner Sides said the total figure previously provided to address these costs was around \$29,000. Commissioner Sides said he would like to change the 20% to 25% for a minimum of \$25,000. Commissioner Sides said there was no need to pay three years up front but rather to pay on September 1st of each year for the next year. Commissioner Sides said once a contract is signed the organization would not have to make a payment until September 1st of next year.

Commissioner Sides said the contract should also include a specific amount for liability insurance. Commissioner Sides said he would defer to the County Attorney to ensure that the amount was stated in the contract. Commissioner Sides referred to Section 7 and said the County should define what was expected from the County and the County's costs associated with bringing the grounds up to standard.

Commissioner Hall thanked the RCFA and Jaycees for their hard work in putting on such a successful fair for the citizens. Commissioner Hall said the 50-year lease with the RCFA had expired and changes were necessary in considering the County's next steps. Commissioner Hall said the Board wanted to provide the best possible services for the citizens and she thanked the Jaycees for the proposal. Commissioner Hall said the Board should make sure all of the County's costs were covered and that a clause should be added to the contract stating that the RCFA should leave the grounds in the same good condition as when it was given.

Chairman Chamberlain said the County had a list of recommended problems to be fixed on the fairgrounds property. Chairman Chamberlain said the Board should provide more than the minimum requirements on the issues where safety was concerned.

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

Chairman Chamberlain appointed Commissioner Mitchell, County Attorney Jay Dees and himself to negotiate with the RCFA to bring a condensed version of the proposal back to the Board at the first meeting in January.

7. DISCUSSION REGARDING EDC FORM AGREEMENT

Commissioner Barber said in October while negotiating the form agreement for Wind Tunnel eXtreme, there were many questions regarding the agreement. Commissioner Barber said he and Commissioner Hall had met with the County Attorney and members of the Economic Development Commission (EDC) to discuss when the form agreement becomes a part of the sale process for a company looking to move and/or relocate to Rowan County. Commissioner Barber said the document in the packet was being proposed as the standard Relocation and Expansion Assistance Agreement.

Commissioner Barber took a moment to recognize the new EDC Director, Robert Van Geons, who was in the audience.

Commissioner Hall said the agreement was an important aspect to what the County was missing in relations to the guidelines of the Rowan County Investment Grant Program. Commissioner Hall said the Relocation and Expansion Assistance Agreement would be a binding document.

Commissioner Mitchell read from section 1 on page 6 pertaining to the topic of Policy and Procedure for Grant Agreement and Execution, "The EDC Director, of..." Commissioner Mitchell pointed out the word "of" should be replaced with either "or" or "as".

Commissioner Barber said the information relating to Wind Tunnel eXtreme in the first sentence on page 3, item #6, should be stricken.

Commissioner Hall asked County Attorney Jay Dees to explain item #4 on page 2. Mr. Dees explained that item #4 was borne from a previous issue with Rowan Power. Rowan Power failed to list a \$25 million tower and argued that the agreement they executed did not state whether the property had to be listed by the taxpayer. The County had discovered and listed the property and Rowan Power felt the company should still be entitled to the grant. Mr. Dees said the provision was included in the agreement before the Board to prevent companies from receiving a tax break on property it fails to list. Mr. Dees said the Board

would need to determine if failure to list property is a material breach that would not entitle the company to any grant in that year.

Commissioner Hall questioned the General Provisions section on page 4 and asked how it would be determined what was considered as “unreasonable”. Mr. Dees responded that “reasonable” is a judicial standard and is common language when there are consent provisions in a contract.

In response to a query from Commissioner Sides, Mr. Dees suggested the Board consider provisions that are commonly seen or that might be assigned to a similar entity. Mr. Dees said the issue with Rowan Power had been one utility company selling out to a completely different utility company. Mr. Dees said it is generally common to have a provision to allow assignment for restructuring if the other utility is a related entity.

Commissioner Sides felt the suggested language by Mr. Dees would be better than what was currently proposed.

Mr. Dees said the document could be re-drafted with all the suggested changes and brought back to the Board for further consideration.

Commissioner Mitchell said he did not see why the Board would withhold an agreement from a company as long as the new entity agreed to the same requirements as the original company.

Commissioner Sides said he would like to see a clause in the agreement stating if the document is signed, the company has two years to get the project off the ground in order to be eligible for the first year of incentives. Mr. Dees discussed the build-out options. He recommended the Board consider what was in the previous draft, which was a 24-month build-out timeframe from the date the agreement was entered.

Chairman Chamberlain suggested the Board hold further discussion on the issue at the second meeting in January. In the meantime, he encouraged Board members to meet with Commissioners Barber and Hall and Mr. Dees with any further suggestions so that a final document could be drafted and considered for approval.

Commissioner Barber reported that the County had received the signed Wind Tunnel eXtreme document today. He said there were five (5) other agreements pending completion as follows:

- National Starch and Chemical – draft agreement under discussion
- PGT Industries – draft agreement should be signed by the end of January
- Food Lion - draft agreement in discussion
- Square D – the County Attorney is finalizing revisions; specific agreement may be necessary

- Toyota Racing & Development (TRD) – signed agreement received today

Commissioner Barber said Stuart Hair with the EDC was working on all the agreements, which should be completed by mid-February.

Commissioner Barber thanked the EDC Board and its staff, Stuart Hair and Bettina Dickert, for their hard work in the absence of a Director.

Chairman Chamberlain recognized EDC Director Robert Van Geons and the Executive Director of the Convention and Visitors Bureau, James Meacham, both of which were in the audience.

Chairman Chamberlain called for a short break at 8:25 pm.

Chairman Chamberlain reconvened the meeting at 8:35 pm.

8. CONSIDER APPROVAL TO PURCHASE AMBULANCES FOR EMERGENCY SERVICES DEPARTMENT

Finance Director Leslie Heidrick reported that the Emergency Services (EMS) Department was requesting to piggyback off a contract between Rowan County and Southeastern Specialty Vehicles, Inc. for the purchase of two (2) 2008 Ford F450 ambulances. The cost of each ambulance is \$97,119. The EMS Department would also like to have vehicles #0224 and #0527 declared surplus. The units would be traded in on the new ambulances for \$12,000 each, which is included in the price above. The total cost for two (2) ambulances amounts to \$194,238. The Finance and EMS Departments recommend the Board declare vehicles #0224 and #0527 surplus and approve the Resolution awarding the contract for the purchase of two (2) ambulances for EMS.

After a brief discussion regarding the negotiated price for the ambulances, Commissioner Sides moved, Commissioner Mitchell seconded and the vote to approve the Resolution awarding the contract for the purchase of two (2) ambulances for EMS passed unanimously.

Commissioner Sides moved to declare vehicles #0224 and #0527 surplus. The motion was seconded by Commissioners Mitchell and Hall and passed unanimously.

9. CONSIDER APPROVAL OF BUDGET AMENDMENTS

Finance Director Leslie Heidrick presented the following budget amendments:

- Health Department – To increase revenues and expenditures where state funding and awarded grants have occurred - \$20,000
- Library – To increase Smart Start funding to expand position from 29 to 40 hours; in addition funding was granted for additional materials and a laptop computer - \$16,069

- Sheriff's Department – Reimbursement for handgun stolen from officer and deposit in Law Enforcement Supplies account - \$435
- Sheriff's Department – Recognize check from Robertson Family Foundation to be used for Public Safety announcements for the Hispanic Community - \$3,200
- Social Services – To budget reduction in the Division of Child Development funds that Rowan DSS received for FY 2007-08. The reduction from the earlier estimate coming from DED is because Rowan DSS did not have a daycare waiting list and the spending coefficient was 95% or less. Smart Start funds for slots are also being budgeted - \$-161,477
- Social Services – Administrative funds from Smart Start were reduced after the DSS budget was approved - \$ -78,353
- Soil and Water – To budget donation received for Soil and Water Advisory Board functions - \$750
- Tax Assessor - To budget additional tax revenues and audit discovery fees for discoveries made by the County's Tax Auditor - \$150,000

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

10. CONSIDER APPROVAL TO PURCHASE CARPET FOR ROWAN PUBLIC LIBRARY

Chairman Chamberlain said the Finance Department was requesting approval to piggyback off a contract between Rowan County and Shaw Industries, Inc. for the purchase of carpet for the second floor of the Rowan Public Library at a cost not to exceed \$63,050.

Commissioner Sides moved approval of the Resolution awarding the contract for the purchase of carpet for the Rowan Public Library. The motion was seconded by Commissioner Hall and passed unanimously.

11. CONSIDER REQUEST FROM PIEDMONT BEHAVIORAL HEALTHCARE REGARDING GROUP HOMES

Chairman Chamberlain recalled that Piedmont Behavioral Healthcare (PBH) previously held two (2) leases with the County, both of which expired on June 30, 2006. The Commissioners declared both properties as surplus during regular session on June 11, 2007.

Chairman Chamberlain said PBH currently leases a third property, located at 1127 South Main Street. The property has been vacant since September 2005 and PBH would like to return the home to the County. The expiration date for the lease is January 1, 2009. PBH would also like the Board's direction regarding the contents for all three (3) properties.

Commissioner Barber said initial discussions with PBH were to negotiate to allow PBH to purchase the properties, possibly at prices below fair market value.

Commissioner Barber said he had been unsuccessful in his attempts to contact PBH Director Dan Coughlin to see if PBH would come into earnest negotiations. Commissioner Barber said he was uncertain if PBH was still interested in negotiating on the properties. He suggested that the Board accept the third property, have PBH remove all contents and have the County Manager send a letter to see if PBH would entertain purchasing the properties.

Commissioner Sides moved to accept the South Main Street property back empty and to offer to sell all three (3) properties to PBH. The motion was seconded by Commissioner Barber and passed unanimously.

Commissioner Sides moved to declare the property at 1127 South Main Street as surplus. The motion was seconded by Commissioner Hall and passed unanimously.

12. DISCUSSION REGARDING DATE FOR SECOND COMMISSION MEETING IN JANUARY

Chairman Chamberlain said the date for the second Commission Meeting in January 2008 fell on the Martin Luther King, Jr. holiday. Chairman Chamberlain opened the floor for suggestions as to when the Board preferred to hold the second regular Commission Meeting in January.

By consensus, the Board agreed to meet on Tuesday, January 22, 2008 at 7:00 pm.

13. COUNTY MANAGER'S MONTHLY ACTIVITY REPORT TO THE BOARD

County Manager William Cowan said he had tried to update the Board on all projects that were in some stage of development or design. Mr. Cowan said most of the projects would move into the next year.

Chairman Chamberlain pointed out that the current meeting would be Mr. Cowan's last meeting in his capacity as Rowan County Manager.

Commissioner Mitchell expressed his appreciation to Mr. Cowan and wished him well with future endeavors.

Mr. Cowan said he had enjoyed serving the Board, County Attorney and an outstanding staff. Mr. Cowan said he had come to know many of the County's citizens on a personal level and said he hoped he had made a positive contribution over the last two (2) years in moving Rowan County forward.

Chairman Chamberlain said, as Chairman, he had worked closely with Mr. Cowan and he not only respected Mr. Cowan, but liked him as well. Chairman Chamberlain said he felt Mr. Cowan had done an admirable job based on the atmosphere into which he came. Chairman Chamberlain said Mr. Cowan had drawn some of the department heads closer and created stability for departments

that had no stability prior to his arrival. Chairman Chamberlain expressed hope that the County would do just as well with the next County Manager. Chairman Chamberlain said he had the opportunity to get to know Mr. Cowan's family and that he considered Mr. Cowan not only a colleague but also a personal friend. Chairman Chamberlain thanked Mr. Cowan for his time in Rowan County.

Commissioner Hall expressed her appreciation to Mr. Cowan saying she had enjoyed working with him during the past year. Commissioner Hall said she had only served as a Commissioner for one (1) year and that Mr. Cowan had provided answers to her many questions and had always been available to her. Commissioner Hall recalled that Mr. Cowan's contract had been negotiated in Open Session, which she described as almost unheard of. Commissioner Hall thanked Mr. Cowan for his willingness to operate in the open.

14. CLOSED SESSION

Commissioner Mitchell moved at 8:49 pm for the Board to enter Closed Session pursuant to North Carolina General Statute 143-318.11(a)(1) to consider approval of the December 3, 2007 Closed Session minutes; and North Carolina General Statute 143-318.11(a)(6) for personnel matters. The motion was seconded by Commissioner Barber and passed unanimously.

The Board returned to Open Session at 8:57 pm.

Commissioner Mitchell moved to bring the applications for the County Manager's position back to the Board at the January 22, 2008 Commission Meeting. The motion was seconded by Commissioner Barber and passed unanimously.

Commissioner Mitchell said Staff would continue to put applications on the Board's desk.

15. ADJOURNMENT

There being no further business to come before the Board, Commissioner Barber moved to adjourn at 8:59 pm. The motion was seconded by Commissioner Hall and passed unanimously.

Respectfully Submitted,

Carolyn Athey
Clerk to the Board