

**MINUTES OF THE MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS**

July 6, 2009 – 4:00 PM

J. NEWTON COHEN, SR. ROOM

J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING
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Present: Carl Ford, Chairman
Jon Barber, Vice-Chairman
Raymond Coltrain, Member
Tina Hall, Member
Chad Mitchell, Member

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

Chairman Ford convened the meeting at 4:00 pm.

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

CONSIDER APPROVAL OF THE MINUTES

Commissioner Barber moved, Commissioner Mitchell seconded and the vote to approve the minutes of the June 15, 2009 Commission Meeting passed unanimously.

CONSIDER ADDITIONS TO THE AGENDA

- Commissioner Mitchell moved to add an Economic Development Commission proposal to the agenda. The motion was seconded by Commissioner Barber and passed unanimously.

Chairman Ford added the issue as agenda item #8a.

- Chairman Ford said there was an application for appointment to the ABC Board that was submitted to him on June 10, 2009. Chairman Ford said the submittal was sent by H.A. Hilton and was documented by email; however, he said he did not realize the application had not been submitted to the Clerk.

Chairman Ford moved to add the application for consideration. The motion was seconded by Commissioner Mitchell and passed unanimously.

- Commissioner Mitchell moved to add a Proclamation for Read to your Child Days. The motion was seconded by Commissioner Barber and passed unanimously.

Chairman Ford added the issue as Consent Agenda item I.

CONSIDER DELETIONS FROM THE AGENDA

Commissioner Hall made a motion to remove Consent Agenda item H (Approval of Reservation of Services Agreement with John Love) in order to provide the County Manager the opportunity to explore additional options.

Commissioner Mitchell asked County Manager Gary Page if he was confident the County could continue to operate on a month-to-month basis under the current contract until a renewal could be approved and Mr. Page responded yes.

Commissioner Mitchell then seconded the motion, which passed unanimously.

CONSIDER APPROVAL OF THE AGENDA

Commissioner Barber moved approval of the agenda. Commissioner Mitchell seconded and the motion carried unanimously.

1. CONSIDER APPROVAL OF CONSENT AGENDA

Commissioner Barber moved approval of the Consent Agenda (as amended). The motion was seconded by Commissioner Mitchell and passed unanimously.

The Consent Agenda consisted of the following items:

- A. Approval of Proposed Ambulance Fee Schedule
- B. Approval of Revised Interlocal Agreement for the Town of Faith: Adding Floodplain Administration
- C. Approval of Proclamation Promoting Partnership Between Jesse Carson High School and Jiangsu Qingjiang Middle School
- D. Approval of Resolution Opposing the Public Health Improvement Plan as Contained in Senate Bill 202
- E. Approval to Add Chase Drive, Autumn Chapel Drive and Auburn Place to State Secondary Road System for Maintenance
- F. Set Public Hearing for August 3, 2009 for Rural Operating Assistance Program
- G. Approval for Senior Services Department to Submit FY 2010 Home & Community Care Block Grant
- H. Approval of Reservation of Services Agreement with John Love (Deleted from the agenda)

2. PUBLIC COMMENT PERIOD

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

- Phyllis Sides described the sound system in the meeting chambers as “atrocious.” Ms. Sides said she could not hear the discussions taking place and she asked the Board members to either speak directly into the microphones or to purchase better microphones.
- John Burke said the Commissioners would be receiving a presentation later in the meeting from the ABC Board. Mr. Burke encouraged the Commissioners to make their expectations clear to the ABC Board members.

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

3. RECOGNITION OF RETIRING MAJOR TIM BOST OF THE ROWAN COUNTY SHERIFF’S DEPARTMENT

Chairman Ford reported that Major Tim Bost had retired from Rowan County after over thirty (30) years of service with the Rowan County Sheriff’s Department.

Chairman Ford read a Resolution honoring Major Bost and he then called Major Bost and Sheriff George Wilhelm forward.

Chairman Ford presented Major Bost with the Resolution and Sheriff Wilhelm presented Major Bost with a plaque. The presentations were followed by a round of applause and a standing ovation.

Commissioner Mitchell moved, Commissioner Barber seconded and the vote to approve the Resolution in honor of Major Bost passed unanimously.

4. PUBLIC HEARING FOR PROPOSED ROAD NAME OF BIKERS LANE

Planning Technician Fredda Greer provided the staff report and explained that the four (4) property owners on the road in question were notified on March 24, 2009 of the need to name the road. Ms. Greer said Staff received a petition; however, the name did not qualify and the petition was returned to the petition leader. Ms. Greer said no petition was ever received back.

Ms. Greer said another petition was submitted for Bikers Lane that qualified under special consideration. Ms. Greer said Staff initiated the process for a public hearing for Bikers Lane and during the process, Staff received another petition for Daffodil Lane. Ms. Greer said the petition for Daffodil Lane was received well after the procedure for Bikers Lane was underway.

Chairman Ford opened the public hearing to receive citizen input regarding the proposed road name of Bikers Lane. The following citizens addressed the Board:

- Samuel Paul Bailey of Goodnight Road said he was speaking on behalf of the owners for Tax Parcel 766-057 (Bobby Lynn Bailey), and Tax Parcel 766-008 (Evelyn Arlene Bailey). Mr. Bailey said these individuals were out of town and had provided affidavits for him to speak on their behalf.

Mr. Bailey said there were two (2) petitions sent in on “approximately” the same day, April 20, 2009. Mr. Bailey said his brother, Bobby Lynn Bailey, had asked if other petitions had been submitted and he was notified that a second petition was turned in the same day. Mr. Bailey said his brother’s petition could not be used due to the fact that he was not a landowner on the road in question. Mr. Bailey said his brother became a landowner on May 7, 2009. Mr. Bailey said Ms. Greer had said she would put the road name on hold until his brother’s property was recorded at the Register of Deeds Office.

Mr. Bailey said his brother was a petition leader and that it took three (3) weeks for him to be notified that the road names he had submitted were not acceptable.

Mr. Bailey provided the Chairman with a handout and discussed why he felt one (1) of the suggested road names should have been acceptable.

Mr. Bailey said three (3) of the four (4) landowners signed the first petition that was submitted while the second petition contained two (2) signatures. Mr. Bailey said he felt both petitions should have been returned and handled correctly.

Mr. Bailey said the property owners wanted to be treated equally and fairly and he requested that the Board deny the proposed road name of Bikers Lane and choose the road name of either Buttercup Lane or Daffodil Lane.

- Jamie Bost of Goodnight Road said her disabled mother had bought a new home; however, she could not obtain a final inspection to move in due to waiting on the road name change. Ms. Bost asked the Board to approve the proposed road name of Bikers Lane.
- Jeff Bost of Goodnight Road said he did not care which name was assigned to the road in question and he asked the Board to make a decision in the current meeting.

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

In response to a query from Commissioner Coltrain, Ms. Greer said Staff had suggested the selection of a generic name to alleviate any friction between property owners.

Commissioner Coltrain asked if Daffodil Lane was acceptable and Ms. Greer said yes. Ms. Greer reported that Staff had returned mail via the postal service to Mr. Bailey with the address he had provided and both pieces of mail were returned.

Commissioner Mitchell said he was not interested in choosing sides in a family dispute and he moved approval of Badger Road. The motion was seconded by Commissioner Barber and passed unanimously.

5. PRESENTATION FROM ROWAN-KANNAPOLIS ABC BOARD

Marny Hendrick, Chairman of the Rowan/Kannapolis Alcoholic Beverage Control (ABC) Board, provided the background regarding the establishment of the Rowan/Kannapolis ABC Board. Mr. Hendrick said ABC personnel were Rowan/Kannapolis ABC employees and not state or county employees. Mr. Hendrick said all funds, assets, property and inventory belonged to the Rowan/Kannapolis ABC Board. Mr. Hendrick said the ABC Board was a subdivision of the State Alcohol Beverage Control Commission and operated under its rules and regulations.

Mr. Hendrick stated that he was currently in his fifth year as Chairman of the ABC Board and that during his entire tenure, the Rowan/Kannapolis System had been in transition. Mr. Hendrick said the Board's goal was to be as profitable, effective and as efficient as possible and that the true mission of staff was to promote responsible sales and consumption of alcohol in the community.

Mr. Hendrick described the duties of the ABC operations, which included operation of seven (7) stores, overseeing ABC permits that had been issued, effective law enforcement, and educating the public regarding alcohol consumption. Mr. Hendrick said a significant amount of time and resources were spent combating alcohol consumption and abuse by minors.

Mr. Hendrick said the fiscal year just completed was the first time in five (5) years the ABC Board had not been expanding the system. Mr. Hendrick said sales had grown by over \$2 million primarily due to the expanded service area. Mr. Hendrick said with the growth came an equally significant cost factor.

Mr. Hendrick felt it was important to note that while experiencing significant growth, the ABC Board had analyzed its operations and made adjustments to help improve the system.

Mr. Hendrick said at the request of the Commissioners, the ABC Board had undergone an operational review on June 24, 2009 by an Efficiency Committee of the North Carolina Association of ABC Boards. Mr. Hendrick felt the report

confirmed that the ABC Board had made the necessary adjustments to put the system on track to be more profitable. Mr. Hendrick said the ABC Board was audited annually with a copy of the audit being furnished to the Commissioners each year. Mr. Hendrick said any notable concerns were reacted to in an expeditious manner.

Mr. Hendrick concluded that he felt the ABC operations were on the proper path to be more efficient and more profitable. Mr. Hendrick said the ABC Board would remain dedicated to its mission of regulating and controlling the sale of alcoholic beverages in the service area.

ABC Board member Gus Andrews said the ABC Board saw in 2005-2006 that ABC profits were declining and realized if the trend continued the system would be functioning "in the red". Mr. Andrews said changes had been needed, including adjusting old policies and procedures. Mr. Andrews said within the system itself, there was an inherited package and primary causes that had to be taken care of such as non-profit operations taking place; the law enforcement system was structured so the ABC Manager did not have control over law enforcement, and salaries, insurance costs, inventories and education implementation had to be adjusted. Mr. Andrews said state agencies such as the North Carolina State ABC Office, other ABC board members and auditors were contacted for advice. Mr. Andrews said Ralph Ketner was also hired to study every program within the ABC system and report on needed adjustments.

Mr. Andrews said the Policy and Procedural Manual was completely revised and he discussed the problems with personnel and how those problems were addressed. Mr. Andrews said the main solution had been to hire part-time employees versus full-time employees. The ABC Board had been able to open three (3) new stores in the three (3) years without increasing full-time positions. Mr. Andrews said overtime was totally eliminated from the system and the vacation package was revamped. Mr. Andrews also explained how the bonus system had been put into the policy manual but was never changed, therefore attributing to the high salaries in the ABC system. Mr. Andrews said the current policy stated a bonus could be issued but must be approved by the Board. Mr. Andrews said since the current Board had been appointed, there had been no bonuses paid.

Mr. Andrews said law enforcement costs had been cut by approximately 50% since the current Board began making changes. Mr. Andrews said by working with Alcohol Law Enforcement (ALE), the ABC Board felt better coverage was being provided at 50% less of the cost. Mr. Andrews said since the law enforcement was not run by the General Manager at the time, law enforcement had the freedom to spend monies without the Board's approval "and much was purchased by ABC". Mr. Andrews said some of the equipment was valuable and the ABC Board had given the equipment to the Sheriff's Department to be utilized. Mr. Andrews said the value of the equipment equaled a contribution of

approximately \$80,000. Mr. Andrews said due to the changes in law enforcement and other adjustments throughout the system, insurance costs for the system had been reduced.

Mr. Andrews said the ABC Board had reduced its vehicle fleet from seven (7) to three (3) and had determined the best option was to own vehicles rather than to lease. Mr. Andrews said the system paid off a delivery truck during the same period of time.

Mr. Andrews said facility needs and repairs were completed such as leaks, an updated computer network, updated security systems and elimination or replacement of VCR's in the stores.

Mr. Andrews said a credit and gift card purchasing system was implemented at the advice of other ABC systems.

Mr. Andrews reported that the store in Spencer had been closed due to lack of profits.

Mr. Andrews discussed the ABC merger with the Kannapolis district, which made the Rowan-Kannapolis ABC district the largest geographical district in the State. Mr. Andrews said the merger brought on additional expenses and travel. Mr. Andrews said a complete system evaluation of inventory, warehouses, delivery distribution, sales and services, and liquor by the drink goods was completed to ensure efficiency. Mr. Andrews said Mr. Ketner lead the research and had provided a tremendous amount of information to help make the adjustments for a more profitable operation.

Mr. Andrews said relationships between managers and service distributors were critical for knowing when the best deals were available. Mr. Andrews said the system had been fortunate over the years regarding the relationship between the General Manager and the distributors. Mr. Andrews provided an example of the past year's buy-ins, which saved approximately \$50,000 in purchasing.

Mr. Andrews said three (3) new stores had been added in Kannapolis and were continuing to grow. Mr. Andrews said as time passed, the opportunity for profitability would increase. Mr. Andrews said due to restructuring, opening three (3) stores and new policy implementations, the debt had been consolidated to a 4.5% interest rate. Mr. Andrews said the ABC Board was confident by the end of 2010 the debt would be paid off and lead to higher profits.

Mr. Andrews said the ABC Board's decision had been to pay off the debt as soon as possible and in the future it would maximize profits.

ABC Board member Ken Argo said the question on the Board's mind must be whether the changes implemented by the ABC Board were working to make the

system more profitable. Mr. Argo said he was the newest member on the ABC Board and that he had created a 10-year study from annual audit reports dating back to 1999 in order to learn the history of the ABC Board.

Mr. Argo said 2005, 2006 and 2001 were benchmark years. Mr. Argo referred to the 2008 audit report and said a cash distribution of \$25,000 was given to the County; law enforcement expenses were \$106,000 and \$31,289 from taxes were sent for rehabilitation. Therefore the total distribution in 2008 was \$164,035.

Mr. Argo listed the cash distributions by year as follows:

- 2006- \$0
- 2007- \$15,000
- 2008- \$25,000
- 2009- \$70,000 (to date)

Mr. Argo said the debt had been reduced by approximately \$180,000. Mr. Argo said if there had been no debt, the money could have been distributed to the County and the municipalities. Mr. Argo pointed out cash distributions in years 1999 (\$159,000), 2000 (\$89,000) and 2002 (\$80,000).

Mr. Argo reported that net income of \$450,379 in 2001 was the highest net income in a 10-year period. Mr. Argo said the net income for fiscal year ending 2008 was \$317,000 making it the second highest in the 10-year period. Mr. Argo noted in 2001 the cash distribution was \$30,000.

Mr. Argo said in looking at the history, the operating expenses increased from 1999 by 4.72%; however, from the benchmark period of 2006 to date, the operating expenses had been reduced by 2.12%.

Mr. Argo said the ABC Board had mentioned it wished to pay off its debt. Mr. Argo then quoted from the law pertaining to financial operations of local boards: "a city or county whose governing body appoints a local board shall not in any way be held responsible for the debts of that board." Mr. Argo said the ABC Board counted its debt as a large responsibility it would like to pay off. Mr. Argo concluded by saying the ABC Board believed one of its primary obligations was education concerning underage drinking and that the Board's policies and spending reflected that philosophy.

Mr. Andrews said the Rowan area was not the same as Mooresville or other areas that had mass population growth; however there was growth taking place in the Kannapolis area. Mr. Andrews said the ABC Board felt education was the most vital component of the program.

Terry Osborne said as General Manager of ABC operations, he was responsible for implementing the ABC Board's policies and balancing the operation from the business perspective, as well as facilitating programs in regards to education and

training. Mr. Osborne said he served as the mediator between the State ABC Commission and Rowan's system.

Mr. Osborne said in 1997-1998 there had been a lapse where there had been no law enforcement and during this period, two (2) County Commissioners (Newton Cohen, Sr. and Dave Rowland) were appointed as liaisons to the ABC Board. Mr. Osborne said there was a lot of discussion at the time, which centered on the fact that there was no law enforcement and the need to eradicate underage drinking. Mr. Osborne said it was during these discussions that there was a return to law enforcement and the Commission Chairman had been emphatic in saying he wanted something done about underage drinking.

Mr. Osborne said he accepted his position with the understanding that the emphasis on control would be exercised to the maximum. Mr. Osborne said North Carolina was one of eighteen states designated as a control state. Mr. Osborne said the ABC Board's point of interest had seen a transition from a concentration on law enforcement to education, and now to the balance of setting the stage for profits to the County, as well as implementing the ABC system's intended goals of education and awareness campaigns. Mr. Osborne said the local emphasis had been extended to impact state and federal legislation.

Mr. Osborne said in 2005 House Bill 1492 was introduced which suspended the drivers license of adults who unlawfully provide alcohol to underage individuals. Mr. Osborne said the Rowan-Kannapolis ABC system was the only system to support the bill against the advice of many in the system. Mr. Osborne said eventually House Bill 1277 passed in 2007 and he read a letter received from the vice-president of state government relations, which thanked the ABC Board for its support of House Bill 1277 and its emphasis on the system's education aspects to eliminate underage drinking.

Mr. Osborne said the ABC system was also opposed and working against legislation that would allow the tasting of spirits in stores.

Mr. Osborne said in five years the ABC system had exceeded \$10,000 in travel once, which occurred in late 2006 and 2007 when the Board had instructed him to test various avenues and resources that would be most effective for Rowan.

Mr. Osborne listed various committees and agencies that had combined efforts pertaining to educational programs. Mr. Osborne also noted the legislative committees that ABC Officials served on.

Commissioner Hall thanked the ABC Board members and General Manager Terry Osborne for the presentation. Commissioner Hall said the underage drinking and youth programs had been discussed extensively while the ABC profits had not.

Commissioner Hall distributed a handout of ABC Board minutes from 2006 and pointed out that sales had been up \$293,000 with gross profits at 25.34%; however, no contribution had been given to the County. Commissioner Hall questioned the comments from the minutes regarding whether or not a distribution was required by law.

Commissioner Hall distributed a handout that showed the annual distributions to Rowan County, starting in 1951. Commissioner Hall said the highest distribution was made in 1967 at \$872,000. Commissioner Hall said in 1999 the distribution was \$114,327, which marked the last distribution over \$100,000. Commissioner Hall reviewed the distributions from 2004 to the present.

Commissioner Hall distributed a handout showing the history of distributions in Catawba County. Commissioner Hall provided two (2) additional handouts that showed the hourly and daily sales for two (2) areas in Catawba County. Commissioner Hall expressed hope that the ABC Board would look into a similar tracking process for its system.

Commissioner Hall distributed and read from a handout regarding a presentation that had been given by the Statesville ABC Board.

Commissioner Hall said Catawba County had never borrowed any money and was able to open new stores and expand by using working capital. Commissioner Hall said from 2000 forward there had not been a lot of distribution to Rowan County. Commissioner Hall referred to working capital and asked why the ABC Board would need to borrow money since there had not been any distributions to the County. Commissioner Hall also inquired why operations could not be contained within the means and she asked Mr. Osborne to respond.

Mr. Hendrick said the working capital number fell around \$900,000 with a portion of those funds on deposit. Mr. Hendrick said the approach was to make each store its own profit center. Mr. Hendrick said the ABC system had statutory authority to borrow money. Mr. Hendrick said no buildings were bought; however equipment, furniture, carpet and other items were purchased. Mr. Hendrick said he could not argue the point and if there had been large sums of money in the bank it would have been used.

Commissioner Hall asked why it was necessary to borrow and Mr. Hendrick said the decision was based on available cash flow.

Mr. Osborne said the preceding ABC Board made the decision to revamp the facility in its entirety adding a conference room and additional offices as well as remodeling the current offices and warehouse. Mr. Osborne noted a delivery truck was purchased and a loading ramp was built. Mr. Osborne said there was a lot of expense associated with the remodeling.

Mr. Hendrick said the remodeling project used a lot of the working capital. Mr. Hendrick said the ABC Board did not make a conscious decision to analyze the difference between pay as you go versus borrowing money. Mr. Hendrick said the ABC Board had felt money was borrowed on a line of credit with a preferable interest rate. Mr. Hendrick said the attempt was to make each store stand alone in order for profits and debt retirement to be tied to each store.

Commissioner Hall said the ABC Board minutes noted an investigation of the High Point ABC Board and that the Rowan/Kannapolis ABC Board had taken steps in its stores to prevent a similar situation. Mr. Hendrick explained that the High Point ABC system had been operating "off the books," which was a violation of State ABC regulations. Mr. Hendrick said the High Point ABC system was selling excess samples in the stores and putting the money in a "cigar box" to be used for things such as retirement parties for employees and even paving a parking lot. Mr. Hendrick said action had been taken once the State ABC Commission found out about the situation. Mr. Hendrick said the ABC Board used the opportunity to ensure that all funds were being properly receipted and balanced. Mr. Hendrick said there was a Resolution which circulated among ABC boards in the State, outlining procedures for properly maintaining funds.

Commissioner Hall said it was easy to steal money from the system and she asked if precautions were being taken to prevent such theft. Mr. Hendrick responded that there had been a complete upgrade of the system to tie in all cash registers. Mr. Hendrick said there was no question that a lot of cash was dealt with daily; however, at the end of the day cash sales were balanced. Mr. Hendrick said supervisors were relied upon to monitor each location.

Mr. Osborne noted that any discrepancies were known the next morning. Mr. Osborne said there was oversight and no room for error.

Mr. Hendrick said inventory was also spot checked and there had been no indication that theft had been occurring in the stores.

Commissioner Hall questioned the ABC system's credit card use and various charges/trips, including trips to Washington D.C. for education. Commissioner Hall said Mike Herring from the State ABC Commission and other ABC managers felt "it is a waste to go to the Century Council" because there were educational programs provided by the State. Commissioner Hall commented that work with the Century Council could have been done via telephone or email versus multiple trips to Washington. Commissioner Hall described the expenses as "red flags" due to the lack of profits coming to the County. Commissioner Hall mentioned receipts for Mikey's Tavern in Charlottesville and she asked why the travel route to Washington included Charlottesville. Mr. Osborne said the route through Charlottesville was safer and not that much longer to travel. Mr. Osborne said Mikey's Tavern was a restored 18th Century restaurant and he estimated that he had take 3,000 kids to the restaurant over the years.

Mr. Osborne said the route was not out of the way and he estimated it took 20 minutes longer off the interstate, but was safer.

Commissioner Hall inquired about multiple trips to Hendrix Barbecue, Cracker Barrel and Fatz Café. Mr. Osborne explained that while building three (3) ABC stores, meetings had been necessary in various areas. Mr. Osborne added that he resented comments that indicated working with the Century Council was not worthwhile. Mr. Osborne praised the work of the Council.

Commissioner Hall questioned numerous receipts including Farmhouse Restaurant, Cracker Barrel, Uncle Bucks, Christos and Starbucks. Mr. Osborne said there were multiple reasons for the expenses, including law enforcement, the building of new stores and education. Mr. Osborne said the Starbucks receipts dealt with undercover operations; however he did not have the privilege to “speak to all of them”.

Commissioner Hall noted over \$6,000 in credit card receipts reported in one (1) month as compared to Catawba County where there was \$100 in credit card receipts. Mr. Osborne said a lot of the distributions depended on whether the system had in-house law enforcement. Mr. Osborne said when comparing to other systems “you must compare apple to apple”. Mr. Osborne said other systems often use Rowan County as an example for the education component.

Commissioner Hall referred to the minutes from a 2006 meeting and said the question of whether profits had to be distributed to the County caught her by surprise. Commissioner Hall asked if the ABC Board was aware of what the NCGS required. Commissioner Hall said there were also multiple times in minutes where the ABC Board voted to double up on payments before giving money back to the County. Mr. Hendrick said debt payments had been doubled deliberately over the last year and a half in order to retire the debt and profits were still being distributed. Mr. Hendrick said \$70,000 had already been distributed for the year with one quarter still left. Mr. Hendrick said once the debt was eliminated there would be more money to distribute.

Commissioner Hall said she hoped an agreement could be made as to what Rowan County could expect in distributions. Commissioner Hall said the Board had concerns with the credit card charges, trips and meals.

Commissioner Hall referred to the Efficiency Review delivered to Commissioners earlier in the day and asked if the efficiency team had revealed new information to the ABC Board. Mr. Hendrick said the efficiency team was made up of veterans of merged systems and their experience was beneficial. Mr. Hendrick said he would not say that he learned anything new.

Commissioner Hall asked for the name of the software the ABC system utilized and also when it was purchased. Mr. Hendrick said the software name was

Peachtree but he did not know when the software was purchased. Mr. Hendrick said he remembered the software was upgraded in 2006 or 2007 due to issues relating to the audit.

Commissioner Hall noted that Carolina Data was the ABC operating software used by 85% of the State.

Commissioner Hall said when talking about the purchase of local radio ads to advertise the programs being offered by the ABC Board, other ABC systems did not advertise on the radio. Mr. Hendrick said the ABC board had debated over the public service ads and felt it was one way to get the message out. Mr. Hendrick said the ads were an expense; however, not a huge amount of money was spent.

Commissioner Coltrain said as he reviewed the audit information he had made several observations. Commissioner Coltrain said the current ABC Board had entered into a system that needed revamping and had taken the necessary steps to do so.

Commissioner Coltrain said he had read the Efficiency Committee's report and there were only two (2) changes noted. Commissioner Coltrain said there were no operational deficiencies mentioned in the report.

Commissioner Coltrain suggested the ABC Board and Commissioners meet to discuss ways to make operation changes by working together. Commissioner Coltrain said he felt the ABC Board was making progress and he thanked the ABC Board members for their contribution to the community.

Commissioner Barber said he had asked the Clerk to the Board to provide a history of the liaison appointments to the ABC Board. Commissioner Barber said in May of 1998 the Board did appoint Commissioners Cohen and Rowland to serve as liaisons to the ABC Board due to concerns pertaining to underage drinking and sales. Commissioner Barber said in July of 2000 the Board appointed Commissioner Frank Tadlock as an ABC Board member. Commissioner Barber questioned how a county commissioner had been appointed to the ABC Board and through further research had found the appointment was a conflict of interest, and possibly illegal. Commissioner Barber said from December 2004-2008 there was no commissioner liaison and that he felt there should have been involvement by the Commissioners during this time.

Commissioner Barber suggested the ABC liaison appointment continue and that an annual report be given to the Commissioners from the ABC Board. Commissioner Barber said he realized the decision made by the ABC Board to pay off debt had been the best option. Commissioner Barber said based on the presentation from the ABC Board members, as well as all other information provided, the only concern he had was with the use of the credit card.

Commissioner Barber suggested the ABC Board consider stronger policies for credit card use. Commissioner Barber also suggested the following:

- A satisfactory distribution rate is agreed upon after debt service, capital spending and working capital
- A well defined annual business plan be developed
- Transparency and clearer communication between the ABC Board and the Commissioners

Commissioner Barber said the question of where the profits were going was a valid question and needed to be answered. Commissioner Barber thanked the ABC Board members for the presentation.

Commissioner Mitchell said he agreed with Commissioner Barber as to “getting a handle on the credit card use.”

Commissioner Mitchell asked how much was being paid for leases on stores. Mr. Hendrick said the lease rate depended on the square footage and Mr. Osborne responded the approximate range was \$1,200 to \$3,200 per month. A brief discussion ensued regarding lease payments. Commissioner Mitchell said there was approximately \$100,000 in lease payments, which would never be realized in profits. Commissioner Mitchell said it was an area where profit distributions could be increased.

Commissioner Mitchell said he wished the working capital fund would change and he inquired as to Rowan’s low and high numbers. Mr. Hendrick responded that the high number was approximately \$2 million and was based on the size of the system. Mr. Hendrick said the low number would be equal to two (2) weeks of the operating capital. Mr. Hendrick said the number was a “floating number”.

Commissioner Mitchell referred to underage drinking prevention and the Brandon Silvera Story, which was an educational tool. Commissioner Mitchell said he thought it was beneficial story but suggested the ABC Board consider different ways to provide education. Commissioner Mitchell said he was unsure of the costs associated with the Brandon Silvera Story and suggested not offering the same presentation every year. Mr. Hendrick said the only cost to the County associated with the presentation was the cost for meals. Commissioner Mitchell said the program was a minimal expense if the only cost was meals.

Commissioner Mitchell said conversations may be necessary regarding underage drinking and law enforcement. Mr. Hendrick said there had been conversations with the Sheriff about moving the law enforcement activities back to the Sheriff’s Office. Mr. Hendrick said several options were considered, one of which was an opportunity from Alcohol Law Enforcement (ALE). Mr. Hendrick said the Sheriff had provided a good proposal; however the ALE’s proposal for \$25,000 was a good deal for the ABC system.

Commissioner Mitchell said there had been a certain loss of public confidence in the ABC Board and also the Commissioners for their lack of oversight. Commissioner Mitchell said both Boards would have to work to restore the public confidence. Commissioner Mitchell said the negative reports in the paper and on television needed to stop. Commissioner Mitchell said the problems that needed correcting had been identified and he thanked the ABC Board for the report.

Commissioner Barber said he wished the process had gone differently and that he thought the approach could have been for the Board to instruct staff to do research and provide information to the Board in a report. Commissioner Barber said other counties had used the publicity and negativity as a tool against Rowan County when pursuing economic development opportunities.

Chairman Ford said in a control aspect the ABC Board was doing as good a job as anyone in the state, and possibly the country. Chairman Ford said in regards to profit distributions, an increase was needed and a decrease was needed in expenses.

Chairman Ford said Mr. Osborne had approached him and said a liaison had been requested for years. Chairman Ford said he was looking forward to arranging a meeting between the two (2) Boards and that he hoped the relationship would be better in the future.

Chairman Ford recognized City of Kannapolis Mayor Bob Misenheimer who was in attendance.

Chairman Ford called for a recess at 6:20 pm.

Chairman Ford reconvened the meeting at 6:30 pm.

6. CONSIDER APPROVAL OF RESOLUTION TO AUTHORIZE COUNTY MANAGER TO NEGOTIATE A CONTRACT FOR ENGINEERING & PLANNING SERVICES FOR LANDFILL

County Manager Gary Page explained that it normally took eighteen to twenty-four months to plan, design, permit and construct a new landfill cell. Mr. Page said the amount of trash being sent to the landfill had decreased approximately one (1) year ago; however, it was now back to normal. Mr. Page said it was anticipated that the County's new cell would need to be completed by summer of 2011.

Mr. Page reported that in 2008, a committee had reviewed the Statements of Qualifications received from the following vendors: Camp Dresser & McKee; Golder Associates NC, Inc; HDR Engineering, Inc of the Carolinas (HDR Engineering); Joyce Engineering, Inc; McGill Associates, P.A.; Municipal Engineering Services Company, P.A.; and S&ME, Inc. The committee recommended that the County Manager negotiate a contract with HDR

Engineering for professional engineering and planning services for the Rowan County Landfill.

In response to a query from Commissioner Barber, Mr. Page reported that the County had used S&ME in the past; however, the committee had felt that HDR Engineering was the best firm for the next step based on the scale of the project.

Commissioner Barber praised the Environmental Management staff for their work at the landfill and he then moved approval of the Resolution. The motion was seconded by Commissioner Coltrain and passed unanimously.

The Resolution read as follows:

RESOLUTION TO AUTHORIZE COUNTY MANAGER TO NEGOTIATE A CONTRACT
FOR PROFESSIONAL ENGINEERING AND PLANNING SERVICES
FOR THE ROWAN COUNTY LANDFILL

WHEREAS, after due advertisement for requests for Statements of Qualifications for professional engineering and planning services for the Rowan County Landfill, it is the recommendation of Environmental Management that the County Manager negotiate a contract with HDR Engineering, Inc., and

WHEREAS, the Board of Commissioners is convened in a regular meeting;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Rowan County to authorize the County Manager to negotiate a contract with HDR Engineering, Inc. for professional engineering and planning services for the Rowan County Landfill.

7. DISCUSSION REGARDING JULY MEETING SCHEDULE

Chairman Ford skipped this agenda item due to the fact that the addition of agenda item #8a would involve discussion of the July meeting schedule.

8. CONSIDER APPROVAL OF RESOLUTION TO AUTHORIZE COUNTY MANAGER TO NEGOTIATE A CONTRACT FOR ENGINEERING & PLANNING SERVICES FOR JAIL ANNEX

County Manager Gary Page said the County was in the process of beginning to look for alternative ways to house prisoners. Mr. Page said the one alternative was a satellite jail annex.

Mr. Page said the Board had appointed a Jail Annex Committee (Committee), consisting of Commissioners Mitchell and Coltrain, Sheriff Wilhelm, the County Manager and the Finance Director.

After due advertisement, Statements of Qualifications for professional engineering and planning services for the proposed Rowan County Jail Annex (Annex) were received. Statements were received from Moseley Architects, Ware-Bonsall Architects, Brennan Architects, Cope Associates, and Woolpert Architects and Associates.

The Committee interviewed the firms and recommended allowing the County Manager to negotiate a contract with Moseley Architects to provide engineering and planning services for the new Annex.

Commissioner Coltrain moved approval of the Resolution authorizing the County Manager to negotiate a contract for professional engineering and planning services for the proposed Rowan County Jail Annex passed unanimously. The motion was seconded by Commissioner Mitchell and passed unanimously.

The Resolution read as follows:

RESOLUTION TO AUTHORIZE COUNTY MANAGER TO NEGOTIATE A CONTRACT
FOR PROFESSIONAL ENGINEERING AND PLANNING SERVICES
FOR THE PROPOSED ROWAN COUNTY JAIL ANNEX

WHEREAS, after due advertisement for requests for Statements of Qualifications for professional engineering and planning services for the Rowan County Jail Annex, it is the recommendation of the Jail Annex Committee that the County Manager negotiate a contract with Moseley Architects, and

WHEREAS, the Board of Commissioners is convened in a regular meeting;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Rowan County to authorize the County Manager to negotiate a contract with Moseley Architects for professional engineering and planning services for the Rowan County Jail Annex.

ADDITION

8a. Consider REQUEST TO SET PUBLIC HEARING FOR ECONOMIC DEVELOPMENT PROJECT

Economic Development Director Robert Van Geons asked the Board to consider setting a public hearing for July 20, 2009 for an incentive grant request from Project FMT. Mr. Van Geons said the Project would invest \$16 million in Rowan County, of which an estimated \$9.6 million would be assessed real and business personal property. Mr. Van Geons said the request was for an existing industry in Rowan County that currently employed 695 workers. Mr. Van Geons said the expanded operations would be unique to all of the company's operations in North America. Mr. Van Geons said the Project would retain all existing employees and would ultimately result in a substantial increase in employment.

Mr. Van Geons said developments in the past week had caused the project to begin to move quickly.

In response to a query from Chairman Ford, County Attorney Jay Dees suggested that the Board cancel the regularly scheduled meeting on July 20, 2009 and call for a Special Meeting on the same date to deal only with the economic development request.

Commissioner Barber moved to cancel the normally scheduled meeting for

July 20, 2009 at 7:00 pm. The motion was seconded by Commissioner Mitchell and passed unanimously.

Commissioner Barber moved to set a Special Meeting for July 20, 2009 to conduct a public hearing for Project FMT at 4:00 pm. Commissioner Mitchell seconded the motion.

Commissioner Hall suggested conducting the public hearing later in the evening to provide citizens with a better opportunity to participate.

Chairman Ford suggested holding the meeting at 6:00 pm and Commissioners Barber and Mitchell were agreeable to amend the motion to hold the meeting at 6:00 pm.

Commissioner Barber took a moment to note that Mr. Van Geons had been recognized in the local newspaper and the Charlotte Observer as someone making a difference in the community for which they serve. Commissioner Barber referred to the economic development projects Mr. Van Geons had brought to the Commissioners and said the County was blessed to have Mr. Van Geons.

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

9. CONSIDER APPROVAL OF BOARD APPOINTMENTS **JUVENILE CRIME PREVENTION COUNCIL (JCPC)**

Carol Dunlap submitted her resignation due to moving out of state. Ms. Dunlap served as an at large member with a term expiration date of July 31, 2010.

Ronnie Hall was appointed to serve as an at large member on June 1, 2009. Mr. Hall has since submitted his resignation as his job prevents him from attending meetings. Mr. Hall's term would expire May 31, 2011.

Russell Williams submitted his resignation as the Faith Community Representative.

Commissioner Mitchell moved to accept the resignation of Carol Dunlap. The motion was seconded by Commissioner Barber and passed unanimously.

Commissioner Mitchell moved to accept the resignation of Ronnie Hall. The motion was seconded by Commissioner Barber and passed unanimously.

Commissioner Mitchell moved, Commissioner Barber seconded and the vote to accept the resignation of Russell Williams passed unanimously.

The Board instructed the Clerk to advertise the vacancies on the JCPC.

EAST GOLD HILL VOLUNTEER FIRE DEPARTMENT FIRE COMMISSIONERS

The East Gold Hill Volunteer Fire Department requested the appointment of one (1) Fire Commissioner. The following applications were submitted for consideration:

- Joe Trexler
- Ralph Earnhardt

The term was for two (2) years beginning August 1, 2009, expiring July 31, 2011.

Commissioner Barber nominated Joe Trexler and the nomination carried unanimously.

TOWN OF ROCKWELL PLANNING BOARD

The Town of Rockwell Board of Alderman recommended the appointment of Michael Nicholson and William Baker to serve as ETJ representatives on the Rockwell Planning Board, as the current ETJ representatives had resigned. The terms would expire February 2011.

Commissioner Mitchell nominated Michael Nicholson and William Baker. The nomination was seconded by Commissioner Barber and passed unanimously.

NURSING HOME COMMUNITY ADVISORY COMMITTEE

Barbara Mallett submitted an application for reappointment. The term would be for three (3) years beginning July 1, 2009 and expiring June 30, 2012.

Christine McDonald submitted an application. The term would be for one (1) year beginning July 1, 2009 and expiring June 30, 2010.

Commissioner Barber nominated Barbara Mallett and the nomination carried unanimously.

Commissioner Barber nominated Christine McDonald and the nomination passed unanimously.

ADULT CARE HOME COMMUNITY ADVISORY COMMITTEE

Sharon Hoffman Hampton submitted an application for consideration. The term would be for one (1) year beginning July 1, 2009 and expiring June 30, 2010.

Commissioner Mitchell nominated Sharon Hampton and the nomination passed unanimously.

ROWAN PUBLIC LIBRARY BOARD

Marilyn Warlick submitted an application. The term would be for three (3) years beginning July 1, 2009 and expiring June 30, 2012.

Commissioner Barber nominated Marilyn Warlick and the nomination carried unanimously.

REGION F AGING ADVISORY COMMITTEE

Leah McFee completed her allowable number of terms as a delegate. Ms. McFee submitted an application to serve as the alternate for this committee for a one (1) year term beginning July 1, 2009 and expiring June 30, 2010. According to the Centralina Area Agency on Aging, Ms. McFee is allowed to serve as an alternate without needing term limits waived.

Commissioner Mitchell nominated Leah McFee and the nomination passed unanimously.

INDUSTRIAL FACILITIES AND POLLUTION CONTROL FINANCE AUTHORITY

Bill Waggoner and Mark Lewis completed their terms and did not wish to be reappointed.

Richard Warlick submitted an application. The term would be for six (6) years beginning July 1, 2009 and expiring June 30, 2015.

Commissioner Coltrain noted that it might be wise to re-advertise for the vacancies on this board due to the lack of business experience listed on the application.

The Clerk was instructed to re-advertise the vacancies and place the appointments back on the agenda for the first Commission Meeting in August.

SENIOR SERVICES ADVISORY COUNCIL

Richard Warlick submitted an application for consideration. The term would be for three (3) years beginning July 1, 2009 and expiring June 30, 2012.

Commissioner Barber noted the qualifications for Mr. Warlick to serve on this Council and he then nominated Richard Warlick. The nomination passed unanimously.

TOURISM DEVELOPMENT AUTHORITY

Jarrett Chandler submitted an application for reappointment to serve as the Chamber of Commerce representative. The term would be for two (2) years beginning July 1, 2009 and expiring June 30, 2011.

Krista Osterweil completed her term as a Hotel representative and did not wish to be reappointed. David Redden submitted an application to fill the vacancy. The term would be for two (2) years beginning July 1, 2009 and expiring June 30, 2011.

Dink Safriet submitted his resignation as an at large member. Mr. Safriet's term expires June 30, 2010.

Commissioner Coltrain nominated Jarrett Chandler for reappointment and the nomination passed unanimously.

Chairman Ford said he did not wish to accept the board application submitted by Dave Redden as he was not a resident of Rowan County.

Commissioner Mitchell moved, Chairman Ford seconded and the vote to postpone the appointment of the hotel representative passed unanimously.

Commissioner Mitchell moved to accept Dink Safriet's resignation. The motion was seconded by Commissioner Barber and passed unanimously.

AIRPORT ADVISORY BOARD

The following applications were received to fill the remaining term of a Business Owner vacancy:

- Ronald Steelman
- Bill Burgin
- Paul Kennedy

The term would expire June 30, 2011.

Commissioner Barber nominated Paul Kennedy.

Commissioner Coltrain nominated Ronald Steelman.

Upon being put to a vote the nomination for Ronald Steelman passed 3-2 with Commissioners Ford and Barber dissenting.

ALCOHOLIC BEVERAGE CONTROL BOARD (ABC)

The following applications were received for consideration:

- Gus Andrews (reappointment)
- Michael Lee Turman
- Larry Wright
- Linda Lowman
- Rodney Cress
- Melissa Ratliff
- H.A. Hilton (added as an addition to the agenda at beginning of meeting)

The term would be for three (3) years beginning August 1, 2009 and expiring July 31, 2012.

Chairman Ford mentioned that several applications had been received after the application deadline and were not accepted.

Commissioner Coltrain nominated Gus Andrews for reappointment based on his marketing, government and sales experience.

Commissioner Hall nominated Linda Lowman based on her experience with the ABC System.

Upon being put to a vote the nomination for Gus Andrews failed 2-3 with Commissioners Ford, Mitchell and Hall dissenting.

The nomination for Linda Lowman passed 3-2 with Commissioners Barber and Coltrain dissenting.

ADJOURNMENT

There being no further business to come before the Board, Commissioner Mitchell moved to adjourn at 6:51 pm. The motion was seconded by Commissioner Barber and passed unanimously.

Respectfully Submitted,

Carolyn Athey, CMC
Clerk to the Board