

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

August 2, 2010 – 4:00 PM

J. NEWTON COHEN, SR. ROOM

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

Absent: Raymond Coltrain, 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 July 19, 2010 Commission Meeting passed unanimously (4-0).

CONSIDER ADDITIONS TO THE AGENDA

Commissioner Barber moved to add a discussion concerning the North Carolina Association of County Commissioners legislative goals process. The motion was seconded by Commissioner Mitchell and passed unanimously (4-0).

Chairman Ford added the issue as agenda item #6a.

CONSIDER DELETIONS FROM THE AGENDA

There were no deletions from the agenda.

CONSIDER APPROVAL OF THE AGENDA

Commissioner Barber moved, Commissioner Mitchell seconded and the vote to approve the agenda passed unanimously (4-0).

1. CONSIDER APPROVAL OF CONSENT AGENDA

Commissioner Mitchell moved approval of the Consent Agenda. The motion was seconded by Commissioner Barber and passed unanimously (4-0).

The Consent Agenda consisted of the following:

Consider Approval of Consent Agenda:

- A. Set Public Hearing for August 16, 2010 for Rural Operating Assistance Program
- B. Acceptance of PARTF Grant for Ellis Park
- C. Rowan County Airport Rehabilitation Apron Grant

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:

- Phil Barton, retired Rowan Public Library Director, spoke in support of the library.
- Patricia Beck of Salisbury spoke in support of the library.
- Vance Meek, representing the Rowan County Literacy Council, spoke in support of the library.
- Margaret Basinger spoke in support of the library.
- Shearin Teague spoke in support of the library.
- Victoria Patterson, a 12-year old student, spoke in support of the library.
- Susan Waller, Rowan Public Library Board of Trustees Chairman, spoke in support of the library.
- Morgan Miller, a 9-year old student spoke in support of the library.
- Dwayne Dvoracek requested that the Board seek an injunction on the diversion of lottery funds by the Governor. Mr. Divercha said the lottery funds were not implemented as a tax and the Governor did not have the power to divert the funds.
- Bruce Miller spoke in support of the library.

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

3. PUBLIC HEARING TO CONSIDER INVESTMENT GRANT REQUEST FOR PROJECT NOMAD

Robert Van Geons, Economic Development Director, presented the economic impact analysis for the proposed expansion of Norandal's facility in Salisbury, North Carolina. Mr. Van Geons said the project could potentially bring an investment of approximately \$7 million, which would generate \$378,000 over the

next ten (10) years for the County. Mr. Van Geons said the project would retain 163 new jobs and create an additional twenty-five (25) jobs.

Mr. Van Geons introduced Mike Eller and Mike Fox of Norandal USA to briefly speak about the project. Mr. Eller, Operational Controller, said the Norandal plant had been around since 1965 and that support was needed to make the plant more competitive for the future. Mr. Fox, Plant Manager, thanked the Board for its consideration of the investment grant request.

Mr. Van Geons used a power point presentation to provide a brief history of Norandal and to highlight the economic impact analysis.

Mr. Van Geons said the proposed project was for an additional casting line at Norandal, located at 1709 Jake Alexander Boulevard South. Mr. Van Geons said the production process would be entirely self-contained within the existing building.

Mr. Van Geons said the expansion would be in compliance with zoning and there would be no need for significant regulatory approvals beyond the standard building permits.

Mr. Van Geons said under the incentive grant policy the company was eligible to apply for a five (5) year tax grant equivalent to 75% of the increased revenue generated.

Chairman Ford opened the public hearing to entertain citizen input regarding the incentive grant request.

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

Commissioner Mitchell said the request met the guidelines of the investment grant policy and would add twenty-five (25) jobs, as well as retain over a hundred jobs.

Commissioner Mitchell moved approval of the incentive grant and Commissioner Barber seconded the motion.

Commissioner Barber thanked Norandal for bringing the opportunity for additional jobs to Rowan County.

Commissioner Hall thanked Mr. Van Geons for meeting with her and Chairman Ford earlier to clarify questions she had. Commissioner Hall thanked Norandal for bringing jobs to Rowan County and expanding their business in Rowan County.

Chairman Ford also thanked Norandal for considering Rowan County.

Upon being put to a vote the motion passed unanimously (4-0).

4. PUBLIC HEARING FOR CUP 03-10

Chairman Ford read the Chairman's Speech (Exhibit A) and declared the public hearing for CUP 03-10 to be in session. Chairman Ford said the hearing would focus on an application submitted by David Evans for the property located along the 400 block of Lakeside Drive, Salisbury, NC. The purpose of the request was to allow the placement of a 336 square foot residential storage facility to be used for personal storage.

The Clerk swore in those wishing to provide testimony in the case.

Planner Andy Goodall presented the Staff Report (Exhibit B) and explained that David Evans had requested a conditional use permit to allow for the placement of a 336 square foot residential storage facility on Tax Parcel 610A026, which was a vacant lot. Mr. Goodall reported that Mr. Evans resided across the street on parcel 610A010 and would use the structure for storing lawn and garden equipment.

Mr. Goodall said Staff recommended approval of the request.

With no further testimony to be provided, Chairman Ford closed the public hearing.

Commissioner Mitchell moved the following Finding of Fact (Exhibit C):

1. The development of the property in accordance with the proposed conditions will not materially endanger the public health or safety.

FACT: The parcel has sufficient frontage (134') along Lakeside Drive (SR 2169) that shall provide adequate access to the new structure (shed).

Commissioner Barber seconded and the motion passed unanimously (4-0).

Commissioner Mitchell moved the following Finding of Fact (Exhibit C):

2. That the development of the property in accordance with the proposed conditions will not substantially injure the value of adjoining or abutting property, or that the development is a public necessity, and;

FACT: No material evidence was presented suggesting this proposal would injure property values for adjoining lots.

Commissioner Barber seconded and the motion passed unanimously (4-0).

Commissioner Mitchell moved the following Finding of Fact (Exhibit C):

3. That the location and character of the development in accordance with proposed conditions will be in general harmony with the area in which it is located and in general conformity with any adopted county plans.

FACT: The 336 sq. ft structure (shed) is constructed with a wood frame and wood siding, which is similar to several outbuildings and sheds in the surrounding area.

FACT: The structure will be used for storing lawn and garden equipment which is a typical use in a residential community.

Commissioner Barber seconded and the motion passed unanimously (4-0).

Commissioner Mitchell moved approval of CUP 03-10. The motion was seconded by Commissioner Barber and passed unanimously (4-0).

5. DISCUSSION REGARDING SEPTEMBER MEETING SCHEDULE

Chairman Ford said the first regularly scheduled Commission Meeting in September fell on the Labor Day holiday. Chairman Ford suggested that the Board reschedule the meeting for the following day, which would be Tuesday, September 7, 2010.

Commissioner Mitchell moved, Commissioner Barber seconded and the vote to reschedule the September 6, 2009 Commission Meeting to September 7, 2010 at 4:00 pm passed unanimously (4-0).

6. CONSIDER REQUEST FOR VETERANS HOUSING PROJECT

County Manager Gary Page discussed a presentation made to the Board on July 19, 2010 by Scott Redinger for a new project, Liberty Square, which would provide 24 transitional housing units for homeless veterans. Mr. Page said RHA Behavioral Health Services wished to build the project at a cost of approximately \$2.2 million. The City of Salisbury pledged \$150,000 towards the project over the next three (3) years.

Mr. Page explained that the County had participated the past few years in a regional housing consortium that provided funding for home repairs for low income owners. Mr. Page reported that the County would receive approximately \$165,000 from the consortium this year.

Mr. Page said the Board could commit \$250,000 from the consortium funds for a three-year period (\$83,000/year) for the veterans' transitional housing project. Mr. Page said he was awaiting final confirmation for approval to use consortium funds and that the Board could make its decision contingent on being able to use the funds as the County's local match.

Commissioner Mitchell recalled that the County's population percentage allowed the County to receive a larger share of the HOME funds. Mr. Page responded the County had received an increase in funding for the past few years.

Commissioner Mitchell said he was not necessarily against the project, particularly using HOME funds; however, he wondered if similar facilities were also eligible to apply for funding under the HOME program. Commissioner Mitchell felt the County might be setting a precedent in the decision.

Mr. Page responded that the issue was whether the similar facilities were non-profits. Mr. Page said if the agency was for-profit he did not feel it qualified for use of HOME Funds.

Commissioner Hall felt the Board needed additional information and Mr. Page said he would ask the question of the consortium.

Commissioner Mitchell moved to table the discussion no later than when the Board made a decision on the HOME funds.

Commissioner Hall said the economy was in a deep recession and there were many people struggling who needed help with home repairs. Mr. Page said both programs were worthwhile.

Commissioner Hall said the HOME program was helping folks and that she would hate to take funds for housing repairs from the elderly. Mr. Page said unfortunately, the governing body would have to make the decision.

In response to a query from Commissioner Barber, Mr. Page said the transitional housing project for veterans would be completed in three (3) years.

Commissioner Barber said there were homeless veterans that needed to be taken care of now. Commissioner Barber said the County had surplus property, including a former group home that could possibly be used to offer assistance right away.

Chairman Ford agreed with the board members previous comments and he pointed out that the Board was getting ready to discuss ways to cut spending. Chairman Ford said he would like to go forward with the research that had been mentioned.

Commissioner Mitchell said it would be helpful to see an inventory on how many veterans' homes were available, how veterans were being served, what it would cost to rehabilitate the group home the County owned, and how many veterans the County's home would serve.

Commissioner Mitchell moved to table the issue until no later than when the Board makes the decision on the HOME funds. Commissioner Hall seconded and the motion passed unanimously (4-0).

ADDITION

6a. NCACC Legislative Goals

Commissioner Barber said the Board received an email from the North Carolina Association of County Commissioners (NCACC) asking counties to provide input as to what they considered as legislative priorities. Commissioner Barber said the NCACC was a lobbying organization for counties and that it was important for counties to have input.

Commissioner Barber suggested each Board member provide input to the Chairman and to the Clerk by the end of the month in order for the Board to send in Rowan County's goals, which were due by September 15, 2010.

By consensus, the Board agreed with the suggestion.

Commissioner Mitchell said one goal should be for the state to stop shifting its responsibilities to the counties.

Chairman Ford said the Commissioners' suggestions could be compiled and discussed at a future meeting for approval.

7. REPORTS

The following reports were submitted for the Board's consideration:

- (a) Updated List of Potential Budget Cuts
- (b) 2009 Annual LEPC Report

Mr. Page said the Board had adopted its' budget in June and two (2) weeks later the state took \$900,000 of lottery funds from the County. Mr. Page said the County would now have to take funds from reserves in order to make debt payments on school buildings.

Mr. Page said the options were to cut expenses and hope the economy turned around, or to raise taxes. Mr. Page said the Board had asked him to prepare a list of items where cuts could be considered. Mr. Page stressed that the list was a reality of how to make ends meet.

Commissioner Barber said Rowan County had been fiscally conservative and he continued by discussing the timeline for various budgetary decisions by the Board since 2008. Commissioner Barber concluded by saying he could not make a decision regarding additional cuts without further information.

Commissioner Barber inquired as to whether the County had been formally notified by the state that it would lose \$900,000 and Mr. Page responded no. Mr. Page said that the NCACC recommended using the \$900,000 figure.

Commissioner Barber said he would like for the Board to track the sales tax revenues for a couple of months before making a decision on further cuts. Commissioner Barber said he was willing to wait for the audit report in January before making a decision.

Commissioner Barber said he would like to review information regarding the following different scenarios: 1) Cutting costs; 2) Cutting costs and using fund balance; and 3) Only use fund balance and review the affect on the bond rating, the County's ability to borrow money and the affect on the interest rate.

Commissioner Mitchell said in reviewing the proposed list of cuts, the only item he was currently in full support of was freezing the two (2) positions upon their retirement dates. Commissioner Mitchell requested more information on the 10% salary incentive to retire before December 31, 2010.

Commissioner Mitchell reported that the Senate was considering an amendment that would fund teaching positions at \$10 billion nationwide. It was estimated that NC should receive \$300 million of those funds if the amendment passed both the Senate and the House. Commissioner Mitchell felt the Board should go on record "quickly" saying if NC in fact received \$300 million, the lottery funds should be restored immediately. Commissioner Mitchell said he would like for the Board to direct the County Manager and the Chairman to be prepared to send information to the Governor's office and the General Assembly, if the amendment passed, asking that lottery funds be restored.

Mr. Page said the Board had given him leeway in the past to make budgetary decisions and that the Board did not have to take action on the position freezes.

Mr. Page highlighted the 10% early retirement incentive and said he needed to know who would take advantage of the incentive before a savings figure could be determined. Mr. Page said if it was the pleasure of the Board, he would send an email to all employees advising that the county was contemplating a 10% incentive for employees interested in retiring by December 31. Mr. Page said once the employees responded, he could review their current salaries and look at what the entry level replacement salary would be. Mr. Page said any retiring department heads would have to be replaced. Mr. Page said he could possibly have the figures for the Board at the first meeting in September.

In response to concerns from Commissioner Mitchell, Mr. Page said he could provide more information once he knew who would accept the early retirement incentive. Mr. Page said the approval would have to be granted by the middle of September due to the paperwork process with the state for retirements.

Commissioner Mitchell said as far the three (3) RIF positions, he would more than likely agree to them. Commissioner Mitchell said he would like to see an assessment from the County Manager regarding the positions and their functions.

Mr. Page said he could provide the Board information on the positions and that he would mark the information confidential. Commissioner Mitchell said he did not want the positions named.

Commissioner Hall questioned Finance Director Leslie Heidrick as to how the revenues looked in Rowan County. Ms. Heidrick said her prediction without having the final sales tax numbers, would be that the fund balance would take a hit between \$2 to \$2.5 million. Ms. Heidrick said some revenues exceeded budget while other revenues were down. Ms. Heidrick also said she had not anticipated the drop in interest rates. Ms. Hedrick said overall she felt the County would be at 98% to 99% of the budget.

Commissioner Hall expressed concern that the state would pass on even worse news to counties and that the County should be prepared, rather than to sit back and wait. Commissioner Hall asked if Mr. Page recommended preemptive action. Mr. Page said if the economy did not turn around and the Board refused to raise taxes, cuts like those proposed in the agenda packet would have to be made. Mr. Page said at some point the cuts would have to be made unless things improved in the next 6 to 9 months.

Commissioner Hall asked if there would be a tax increase. Mr. Page said the County could cut, hope for the best or raise taxes. Mr. Page said he was not confident the economy would turn around and he did not think anyone wanted to raise taxes, therefore making cuts was the only option.

Chairman Ford noted that the sales tax data would include the quarter cent tax increase. Ms. Heidrick said the data would be separated.

Chairman Ford said he hated to RIF; however, if the positions were not needed the reductions had to be made. Chairman Ford said he supported freezing positions and receiving more information on the early retirement incentive.

Chairman Ford suggested some non-profits could be cut, which would not affect the employees. Chairman Ford also suggested that new hires could pay 10% of their insurance, which could save the County thousands of dollars. Chairman Ford said both items could be considered. Chairman Ford said he would like to freeze the positions now and consider the other cuts at a future meeting.

Mr. Page said one position would open soon and the other position would open in November and he would freeze them. Mr. Page said he could gather the data

on the retirement incentive. Mr. Page said he had a list of potential cuts for non-profits he could provide the Board.

Commissioner Mitchell recommended holding the funds for the two (2) roofs at Rowan Cabarrus Community College until more information was received on the budget cuts from the state.

Commissioner Hall said Mr. Page previously stated that he knew of several other items that might be on the horizon with one being a central office for the school system. Commissioner Hall wondered if it would be appropriate for the Board to communicate to the Board of Education that now might not be the time to talk about an expensive central office.

Chairman Ford agreed with Commissioner Hall and said the committee that had been established to discuss a central office might need to meet in the coming weeks.

Commissioner Mitchell said he did not have a problem with the committee reconvening.

Chairman Ford asked if a motion was needed. Mr. Page said he could handle the freezes and provide the Board with information regarding the 10% early retirement incentive. Mr. Page also said the County could hold off on the roofs at RCCC and that he could provide additional information concerning the non-profits at the next meeting. Mr. Page said staff could also prepare information pertaining to new employees paying 10% of their insurance premiums. Mr. Page said he did not feel a motion was necessary for these items.

Commissioner Mitchell moved to accept the Rowan County Local Emergency Planning Committee's 2009 annual report as submitted. The motion was seconded by Commissioner Barber and passed unanimously (4-0).

ADJOURNMENT

There being no further business to come before the Board, Commissioner Barber moved to adjourn at 5:49 pm. The motion was seconded by Commissioner Mitchell and passed unanimously (4-0).

Respectfully Submitted,

Carolyn Athey, CMC, NCCCC
Clerk to the Board/Assistant to the County Manager