

**MINUTES OF THE MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS
May 19, 2014 – 6:00 P.M.**

J. NEWTON COHEN, SR. ROOM

J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING
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Present: Jim Sides, Chairman
Craig Pierce, Vice-Chairman
Jon Barber, Member
Mike Caskey, Member
Chad Mitchell, Member

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

Chairman Sides convened the meeting at 6:00 p.m.

Chairman Sides announced the room capacity was limited by fire code to approximately 99 people, allowing for only seven (7) people to remain standing around the room. Chairman Sides stated the overflow room was open and there was also a monitor in the lobby downstairs where citizens could view the proceedings.

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

CONSIDER ADDITIONS TO THE AGENDA

There were no additions to the agenda.

CONSIDER DELETIONS FROM THE AGENDA

Commissioner Barber move to table agenda item #5 (Consider Voluntary Annexation Request from the Town of Granite Quarry) to the June 2, 2014 meeting. The motion died due to lack of a second.

There were no deletions from the agenda.

CONSIDER APPROVAL OF THE AGENDA

Commissioner Pierce moved, Commissioner Barber seconded and the vote to approve the agenda passed unanimously.

CONSIDER APPROVAL OF THE MINUTES

Commissioner Barber moved, Commissioner Pierce seconded and the vote to approve the minutes of the July 1, 2013, July 8, 2013, July 11, 2013, July 29, 2013, August 5, 2013, April 14, 2014 and May 5, 2014 Commission Meetings passed unanimously.

1. CONSIDER APPROVAL OF CONSENT AGENDA

Commissioner Barber requested to move Consent Agenda items A, B and C to the regular agenda for discussion.

Chairman Sides placed the items on the regular agenda as items 2a, 2b and 2c respectively.

Commissioner Pierce moved, Commissioner Mitchell seconded and the vote to approve the amended Consent Agenda consisting of items D and E passed unanimously.

The Consent Agenda consisted of the following:

- A. Set Public Hearing for June 2, 2014 for FY 2014-15 Proposed Budget (placed on the regular agenda as item #2a)
- B. Proclamation for NC Cooperative Extension Centennial (placed on the regular agenda as item #2b)
- C. Airport Office Building Bid Award (placed on the regular agenda as item #2c)
- D. Award of New Landfill Cell Bid
- E. West End Plaza Lease for Global Treasures

2. PUBLIC COMMENT PERIOD

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

- Phyllis Sides spoke in support of the financing proposals for West End Plaza.
- Melek Vierheller spoke in support of the financing proposals for West End Plaza.

As Mr. Vierheller was speaking, loud laughter erupted from a large portion of those seated in the audience. Chairman Sides interjected that if one more outburst occurred, he would clear the room and speakers would be called forward one at a time.

- Will McCubbins spoke in support of the financing proposals for West End Plaza.
- Rick Johnson spoke in support of the financing proposals for West End Plaza.
- Pamalee Hilton spoke in support of the financing proposals for West End Plaza.
- Luis Bodak spoke in opposition to the financing proposals for West End Plaza.
- John P. Burke spoke in opposition to the financing proposals for West End Plaza.
- William Wesley Rhinier spoke in support of the financing proposals for West End Plaza.
- R. Howard Andrews (signed up to speak and apparently left the meeting).
- Sharon Mendosa spoke in support of the financing proposals for West End Plaza.
- Michael Martelli spoke in opposition to the financing proposals for West End Plaza.
- Larry Wright spoke in support of the financing proposals for West End Plaza.
- Richard D. Locklear spoke in opposition to the financing proposals for West End Plaza.

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

ADDITIONS

(The following items, #2a, #2b and #2c were pulled from the Consent Agenda for discussion).

Set Public Hearing for June 2, 2014 for FY 2014-15 Proposed Budget

Commissioner Barber encouraged citizens to participate in the public hearing on June 2, 2014 at 5:30 p.m. regarding the proposed FY 2014-15 budget.

Commissioner Mitchell moved to set the public hearing for the FY 2014-15 proposed budget for June 2, 2014 at 5:30 p.m. The motion was seconded by Commissioner Barber and passed unanimously.

Proclamation for NC Cooperative Extension Centennial

Commissioner Barber summarized the Proclamation in the agenda packet and he commended the Cooperative Extension for services provided.

Commissioner Pierce moved, Commissioner Mitchell seconded and the vote to approve the Proclamation passed unanimously.

The Proclamation read as follows:

WHEREAS, May 8, 2014 marks the Centennial of the signing of the Smith-Lever Act which established Cooperative Extension, the nationwide transformational education system operating through land grant universities in partnership with federal, state and local governments; and

WHEREAS, U. S. Senator Hoke Smith of Georgia and U.S. Representative A.F. Lever of South Carolina authored the Smith-Lever Act to expand the “vocational, agricultural and home demonstration programs in rural America” by bringing the research-based knowledge of the land-grant universities to the people where they live and work; and

WHEREAS, the North Carolina Cooperative Extension in Rowan County is a critical component of the three part land-grant university mission and works collaboratively with research and academic programs associated with the North Carolina State University and North Carolina A&T State University to reach traditional and underserved audiences in all communities across North Carolina; and

WHEREAS, the Cooperative Extension System continues to receive federal programmatic leadership and support enabled by the Smith Lever Act and other legislation through the U.S. Department of Agriculture’s National Institute of Food and Agriculture; and

WHEREAS, the Smith-lever Act requires a partnership between county, state and federal governments and encourages priorities be established locally to meet the needs of each county; and

WHEREAS, North Carolina Cooperative Extension education disseminated through Rowan County for agriculture producers has helped establish North Carolina as a leading agriculture producing state; 4-H youth development has reached millions of youth and helped prepare them for responsible adulthood by equipping them with citizenship and leadership skills; family and consumer sciences has prepared people for healthy, productive lives and breaking the cycle of poverty; and

WHEREAS, North Carolina Cooperative Extension in Rowan County engages with rural and urban learners through practical, community-based and online approaches, resulting in acquisition of knowledge, skills and motivation to strengthen the profitability of animal and plant production systems, protect natural resources, help people make healthful lifestyle choices, ensure a safe and abundant food supply, encourage community vitality and prepare the next generation of leaders;

NOW, THEREFORE, BE IT RESOLVED that the Rowan County Board of Commissioners:

Recognizes the significance of the Smith-Lever Act to the establishment of Cooperative Extension nationwide.

Encourages the people of Rowan County to observe and celebrate the centennial with a focus on congratulating the accomplishments of the past 100 years and ensuring a thriving future for Cooperative Extension.

Honors the local Extension Agents and university faculty who dedicate careers to providing trusted education to help people, families, youth, businesses and communities solve problems, develop skills and build a better future.

Thanks Cooperative Extension volunteers who provide thousands of hours to promote excellence for 4-H, Master Gardeners, family and consumer sciences and other programs in their communities.

Encourages continued collaboration and cooperation among federal, state and local governments to ensure Cooperative Extension's sustainability as the nation's premiere nonformal educational network.

Celebrates millions of youth, adults, families, farmers, community leaders and others who engage in Cooperative Extension learning opportunities designed to extend knowledge and change lives.

In North Carolina, Rowan County and commend this observance to all.

Airport Office Building Bid Award

Commissioner Barber said several months ago the Board decided in order to complete the airport hangar and make it attractive to those interested in leasing space, the Board needed to add onto the hangar with the office space.

Chairman Sides interjected that Commissioner Barber was incorrect in his assumptions as the office building was not tied to the hangar but rather a new office building for an existing lessee at the airport.

County Manager Gary Page said the project in question would be paid from fund balance with the County fronting the funds. The renter would make payments for the next fifteen (15) years and at the end of the term, the County would own the building.

Commissioner Pierce moved to approve the airport office building award. The motion was seconded by Commissioner Caskey and passed unanimously.

3. PUBLIC HEARING AND CONSIDERATION OF WEST END PLAZA FINANCING PROPOSALS

Chairman Sides said before beginning the public hearing, the Board wished to establish some ground rules regarding the public hearing process.

Chairman Sides said the Board welcomed the attendance and participation from the public. Chairman Sides explained that public displays, hand clapping and disturbances would not be tolerated. Chairman Sides said order and decorum would be maintained during the public hearing or he would declare a recess, clear the room and allow speakers to come in one at a time to address the Board.

Chairman Sides asked if there was a motion to establish any other ground rules.

Commissioner Pierce moved to limit for and against comments to fifteen (15) minutes, per side. Commissioner Pierce said as with all public hearings, there would be two (2) sides with repetitious comments, thus the reason for his motion.

Chairman Sides said it appeared there were 2 ½ pages of those opposed to the project. Chairman Sides explained that the citizens opposed could select five (5)

speakers to voice their opinions at three (3) minutes each, or the Board could call upon the first five (5) speakers signed up.

Commissioner Caskey seconded the motion.

Commissioner Barber said when the prayer issue had come before the Board, no time limit had been imposed. Commissioner Barber said the public hearing was the only opportunity the public had to weigh in concerning the mall purchase.

Upon being put to a vote, the motion on the floor passed 4-1 with Commissioner Barber dissenting.

Chairman Sides declared a two-minute recess at 6:50 p.m. to provide each side with the opportunity to select five (5) speakers to represent their position.

Chairman Sides reconvened the meeting at 6:55 p.m.

Chairman Sides said those in support of the project had indicated they preferred for the Chairman to go down the list and call upon the first five (5) signed up to speak.

Chairman Sides asked if those in opposition to the project had five (5) individuals to speak. The response was yes and the Clerk to the Board was provided with a handwritten list of the names.

Chairman Sides said he would alternate by calling on one (1) speaker supporting the project, followed by one (1) speaker opposed.

- Those who addressed the Board in support of the West End Plaza financing were Melek Vierheller, Greg Edds, Will McCubbins, Liz Hood and Steve Poteat.
- Those who addressed the Board in opposition of the West End Plaza financing were Roy Bentley, Bill Cameron, Scott Teeter, Luis Bodak and GeoRene Jones.

Chairman Sides closed the public hearing.

Chairman Sides confirmed with Finance Director Leslie Heidrick that several motions were required.

Commissioner Pierce moved to accept the low bid received from PNC Bank for the financing. The motion was seconded by Commissioner Caskey and passed 4-1 with Commissioner Barber dissenting.

Commissioner Pierce moved to accept the associated Resolution, Capital Projects Ordinance, budget amendment and new account with The North Carolina Capital Management Trust. The motion was seconded by Commissioner Caskey.

Commissioner Barber said 73 people had signed up to speak in opposition to the debt financing for the mall, with 9 to speak in support.

Commissioner Barber highlighted a conversation he said he had with a current tenant at the mall. Commissioner Barber said the tenant indicated she had a government bailout since the County was now the owner of the mall, as well as a reduced rent.

Commissioner Barber said he had spoken with the LGC earlier in the day and he stated the LGC would fairly consider the application.

Commissioner Barber said the Board had discussed moving two (2) county offices to the West End Plaza (Plaza). Commissioner Barber inquired as to whether there was a recommendation in the FY 2014-15 budget to move other county departments to the Plaza. County Manager Gary Page responded that the County had not yet received the County's space needs assessment from the consultants. Mr. Page said the study was not due until the middle of July or August and the County would plan and budget accordingly.

Commissioner Barber thanked the public for their attendance and input. Commissioner Barber felt each individual should have had the opportunity to speak. Commissioner Barber said the citizens would still have the opportunity on June 3, 2014 in Raleigh.

Upon being put to a vote, the motion on the floor passed 4-1 with Commissioner Barber dissenting.

The Resolution approved was as follows:

BE IT RESOLVED by the Board of Commissioners for Rowan County, North Carolina (the "County"):

Section 1. The Board of Commissioners does hereby find and determine:

- a) The Board of Commissioners proposes the financing of the purchase of the West End Plaza and renovations of the property (collectively, the "Project");
- b) After consideration, the Board of Commissioners has determined that the most advantageous manner of financing the Project is by an installment contract pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended;
- c) Pursuant to Section 160A-20, the County is authorized to finance the acquisition, construction and equipping of the Project by entering into an installment contract and

a deed of trust or other security instrument that creates a security interest in the property financed to secure repayment of the financing;

- d) PNC Bank, National Association (“PNC Bank”) submitted a proposal dated April 23, 2014 (the “PNC Proposal”), pursuant to which PNC Bank would lend the County the amount of \$3,950,000, of which \$2,500,000 will be a taxable loan and \$1,450,000 will be a tax-exempt loan, to finance the Project pursuant to an Installment Financing Contract with the County (the “Contract”), to be secured by a Deed of Trust and Security Agreement with respect to the Project for the benefit of PNC Bank (the “Deed of Trust”).

Section 2. The County Board of Commissioners hereby accepts the PNC Proposal, and authorizes and directs the County Manager and the Assistant County Manager/Finance Director, or either of them, to execute, acknowledge and deliver the Contract and the Deed of Trust on behalf of the County with such changes and modifications as the person executing and delivering such instruments on behalf of the County shall find acceptable. The Clerk is hereby authorized to affix the official seal of Rowan County, North Carolina to the Contract and the Deed of Trust and to attest the same.

Section 3. Each of the County Manager and the Assistant County Manager/Finance Director is authorized and directed to execute and deliver any and all papers, instruments, agreements, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out this Resolution, the Contract and the Deed of Trust.

Section 4. Notwithstanding any provision of the Contract or the Deed of Trust, no deficiency judgment may be rendered against the County in any action for breach of a contractual obligation under the Contract or the Deed of Trust and the taxing power of the County is not and may not be pledged directly or indirectly to secure any moneys due under the Contract, the security provided under the Contract and the Deed of Trust being the security for PNC Bank in such instance.

Section 5. With respect the \$1,450,000 tax-exempt loan, the County covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”) as required so that interest on the County’s obligations under the Contract will not be included in the gross income of PNC Bank.

Section 6. This Resolution shall take effect immediately upon its passage.

The Capital Project Ordinance approved was as follows:

Be it ordained by the Rowan County Board of Commissioners that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Capital Projects Ordinance is hereby adopted.

Section 1. This project consists of the purchase of the West End Plaza (formerly the Salisbury Mall) and renovations to the facility. County departments, including the Board of Elections and Veterans Services, will be relocated to the Plaza as space needs are identified.

Section 2. The following revenue is available for the project:

Installment Financing	<u>\$ 3,950,000</u>
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Section 3. The following amounts are appropriated for the project:

Architectural Fees	\$ 65,483
Construction Costs	450,000
Purchase of Property	<u>3,434,517</u>
Total Appropriations	<u>\$ 3,950,000</u>

Section 4. The Finance Department is hereby directed to maintain a Capital Projects Budget with sufficient detailed accounting records as to comply with G.S. 159-28, Budgetary Accounting for Appropriations.

Section 5. Copies of the Capital Projects Ordinance shall be made available to the County Manager and Finance Director for direction in carrying out this project.

The sign in sheet for the public hearing is included for the record as follows:

Commissioner Mitchell provided an updated handout, which outlined how the EDC could use the funds. Commissioner Mitchell said he supported what the EDC proposed to accomplish and he supported transitioning the \$40,000 to the EDC.

Commissioner Mitchell moved to extend the \$40,000 to the EDC that was originally earmarked for the CRP. The motion was seconded by Commissioner Caskey.

Commissioner Pierce discussed his reasons for not allocating the full \$40,000 for the current year but he supported giving the EDC the appropriation next year.

Commissioner Caskey said the money was set aside for economic development; therefore, he had no problem with the request.

Commissioner Barber said he would bring the CRP back up during budget deliberations.

Chairman Sides said he would not vote for the proposal but would consider allocating the funds in the new budget year.

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

5. CONSIDER VOLUNTARY ANNEXATION REQUEST FROM TOWN OF GRANITE QUARRY

Commissioner Pierce said he and Chairman Sides had met with Mayor Bill Feather with the Town of Granite Quarry (Town), along with Economic Development Director Robert Van Geons, the Economic Development Commission (EDC) Chairman, and one of the EDC board members to discuss an issue that had developed with the new road that had been put in for Gildan. Commissioner Pierce said the property adjoins the Town's extraterritorial jurisdiction (ETJ). Commissioner Pierce said there was discussion as to how the Town could use the property for economic development. Commissioner Pierce said there was now a water line in close proximity to the Town's ETJ, which would allow for the development of 450 lots for home construction. Commissioner Pierce said the improvements had also created 92 acres of accessible land now that the road was in place. Commissioner Pierce said the Town would like to develop the property for economic development and it was decided the easiest route was to allow the Town to voluntarily annex the property. Commissioner Pierce said the County would still own the property and at the time it was sold, it would be in the Town's city limits and the Town would provide fire and police protection and the water/sewer. Commissioner Pierce said it was a win-win for the Town and the County and thus the reason for a request for the voluntary annexation.

Commissioner Pierce moved to accept the request for voluntary annexation. Chairman Sides seconded the motion.

Chairman Sides added that the Town has a substantial amount of money it is willing to put into the development of the property for whatever infrastructure is necessary to assist the County in making the property more valuable.

Commissioner Mitchell said it was key the Town came to the County with the proposal for industrial recruitment opportunities. Commissioner Mitchell supported partnering with the Town in the property's development.

Commissioner Barber said he was not opposed to voluntary annexation; however, he said the approval would cost the taxpayers money who live in the South Salisbury fire district in terms of the fire taxes they pay. Commissioner Barber said he wanted to table the request because he did not have any figures and it was difficult to make a decision without any numbers in hand.

Commissioner Caskey said he talked to South Salisbury Fire Chief Orbison who had some concerns on future potential for the fire department. Commissioner Caskey said no tax dollars were being received by the fire department now since the County owned the property. Commissioner Caskey said in looking at the opportunity for the County and the Town, the opportunities for bringing in jobs and increasing the tax base overall was a positive.

Upon being put to a vote, the motion on the floor passed 4-1 with Commissioner Barber dissenting.

6. DISCUSSION REGARDING JULY MEETING SCHEDULE

Chairman Sides said the Board typically votes to hold one (1) meeting in the month of July. Chairman Sides inquired as to the Board's pleasure for holding a second meeting in the month of July.

After a brief discussion, Commissioner Mitchell moved to cancel the second meeting scheduled for July 21, 2014. The motion was seconded by Commissioner Pierce and passed unanimously.

7. CONSIDER APPROVAL OF BUDGET AMENDMENTS

Finance Director Leslie Heidrick presented the following budget amendments for the Board's consideration:

- Health – Restoration in funding from State for Immunization Program - \$14,737
- Sheriff – Recognize funds in revenue for court seizure monies and budget to proper expense account - \$29,970

- Finance – Budget interest revenue earned on Rowan-Cabarrus Community College loan proceeds and additional construction expenditures - \$3,482

Commissioner Pierce moved approval of the budget amendments as presented. The motion was seconded by Commissioner Barber and passed unanimously.

Before adjourning, Chairman Sides announced the County Manager had the proposed budget ready for board members to pick up after the meeting. Chairman Sides said if necessary, the Board could schedule a special meeting if there were major concerns with the budget by a majority of the Board.

8. ADJOURNMENT

There being no further business to come before the Board, Commissioner Barber moved to adjourn at 7:40 pm. The motion was seconded by Commissioner Pierce and passed unanimously.

Respectfully Submitted,

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