

Greg Edds, Chairman  
Jim Greene, Vice- Chairman  
Mike Caskey  
Judy Klusman  
Craig Pierce



Aaron Church, County Manager  
Carolyn Barger, Clerk to the Board  
John W. Dees, II, County Attorney

## Rowan County Board of Commissioners

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### MINUTES OF THE MEETING OF THE ROWAN COUNTY BOARD OF COMMISSIONERS May 4, 2020 – 3:00 PM

**PLEASE NOTE: DUE TO THE CORONAVIRUS PANDEMIC  
THE MEETING WAS HELD BY REMOTE PARTICIPATION FOR THE BOARD OF  
COMMISSIONERS, STAFF AND THE PUBLIC**

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#### **Commissioners Participating:**

Greg Edds, Chairman  
Jim Greene, Vice-Chairman  
Judy Klusman, Member  
Craig Pierce, Member

Absent: Mike Caskey, Member

County Manager Aaron Church, Clerk to the Board Carolyn Barger, County Attorney Jay Dees and Assistant County Manager/Finance Director Leslie Heidrick were present.

Chairman Edds convened the meeting at 3:00 p.m.

Chaplain Michael Taylor provided the Invocation.

Chairman Edds led the Pledge of Allegiance.

#### **CONSIDER ADDITIONS TO THE AGENDA**

Chairman Edds added an item to the Consent Agenda as item M for River Park signage.

#### **CONSIDER DELETIONS FROM THE AGENDA**

There were no deletions from the agenda.

#### **CONSIDER APPROVAL OF THE AGENDA**

Commissioner Pierce moved, Commissioner Greene seconded and the vote to approve the agenda as amended passed unanimously (4-0).

**CONSIDER APPROVAL OF THE MINUTES**

Commissioner Klusman moved, Commissioner Greene seconded and the vote to approve the minutes of the March 30, 2020 and April 20, 2020 Commission Meetings passed unanimously (4-0).

**1. CONSIDER APPROVAL OF CONSENT AGENDA**

Commissioner Pierce moved approval of the Consent Agenda as amended. The motion was seconded by Commissioner Klusman and passed unanimously (4-0).

The Consent Agenda consisted of the following:

- A. Blanche and Julian Robertson Family Foundation 2020 Grant Award
- B. Juvenile Crime Prevention Council (JCPC) FY 20-21 Funding Recommendation
- C. Family and Youth Services Bureau Grant
- D. Detention Center Food Service Contract
- E. Contract: CSS Environmental
- F. Airport Advisory Board Bylaw Updates
- G. Proposed New Policy 9.20 Communicable Disease Policy
- H. Proposed Revision: 10.3 Emergency Leave, Hiring Freeze, Furlough, and Reduction in Force
- I. Talbert, Bright & Ellington Fee Estimate for Taxiway Rehabilitation Project
- J. Proposed New Policy 6.23 - New Employee Relocation Assistance
- K. Request for Public Hearing for 'Project Lake'
- L. Schedule Public Hearing for May 18, 2020 RE: 2020-21 HOME Action Plan
- M. River Park Signage (addition to the agenda)

**2. PUBLIC COMMENT PERIOD**

Chairman Edds opened the Public Comment Period to entertain comments from any citizens who had either called in or submitted an email request to address the Board via electronic means. With no one wishing to provide comments, Chairman Edds closed the Public Comment Period.

**3. PUBLIC HEARING FOR FINANCING OF CAPITAL PROJECTS**

Assistant County Manager/Finance Director Leslie Heidrick reported the County had received installment financing proposals for the acquisition of technology and capital improvements for the Kannapolis City School (KCS) System and for the construction of a concession stand at Dan Nicholas Park (DNP). The amount to be financed was \$1.6 million and the term was for approximately five (5) years.

The County received four (4) bids as follows:

	<b><u>ESTIMATED TOTAL COST</u></b>	<b><u>INTEREST RATE</u></b>
U.S. Bancorp Government Leasing & Finance	\$1,665,847	1.649%
BB&T Government Finance	\$1,680,035	1.870%
First Bank	\$1,700,410	2.500%
First National Bank	\$1,725,276	3.160%

The Finance Department recommended acceptance of the low bid received from U.S. Bancorp Government Leasing and Finance, Inc. with an interest rate of 1.649%.

Ms. Heidrick said the Board was asked to conduct the public hearing, approve the Resolution, Declaration, budget amendment and to also authorize the Assistant County Manager/Finance Director to establish an escrow account for the loan proceeds.

Commissioner Pierce inquired as to the debt payment amount and Ms. Heidrick estimated the payment to be approximately \$340,000 annually.

Chairman Edds opened the public hearing to receive citizen input regarding the installment financing. With no callers wishing to address the Board, and no one having submitted concerns via email, Chairman Edds closed the public hearing.

Chairman Edds moved to approve the financing proposal for the acquisition of technology and capital improvements for KCS and the construction of a concession stand at DNP with the low bid of 1.649 % received from U.S. Bancorp Government Leasing and Finance, Inc. The motion was seconded by Commissioner Pierce and passed unanimously (4-0)

Chairman Edds moved to approve the Resolution authorizing the filing of an application for approval of a financing contract authorized by North Carolina General Statute 160A-20 and authorizing execution and deliver of the financing contract. Commissioner Greene seconded and the motion carried unanimously (4-0).

*The Resolution Authorizing the Filing of An Application for Approval of a Financing Contract Authorized by North Carolina General Statute 160A-20 and Authorizing Execution and Delivery of the Financing Contract* was approved as follows:

WHEREAS, Rowan County, North Carolina (the "County") desires to finance the acquisition of technology and capital improvements for the Kannapolis City School System (the "Technology Project") and the construction of a concession stand at Dan Nicholas Park in the County (the "Park Project," and collectively with the Technology Project, the "Project"); and

WHEREAS, the County desires to finance the Project by the use of an installment financing contract authorized under North Carolina General Statutes Chapter 160A, Article 3, Section 20 ("NCGS 160A-20"); and

WHEREAS, the County sent out a request for proposals for installment financing in the amount of approximately \$1,600,000 to various banks relating to the installment financing contract; and

WHEREAS, U.S. Bancorp Government Leasing and Finance, Inc. ("US Bancorp") submitted a proposal dated April 22, 2020 (the "USB Proposal"), pursuant to which US Bancorp would enter into an installment financing contract with the County in the amount of approximately \$1,600,000 to finance the Project (the "Contract"), to be secured by a security interest in the Technology Project for the benefit of US Bancorp; and

WHEREAS, as required by NCGS 160A-20, the County caused a notice of public hearing to be published in The Salisbury Post on April 23, 2020, for a public hearing to be held May 4, 2020, with respect to the financing of the Project through an installment financing contract; and

WHEREAS, the Board of Commissioners has this day held such public hearing, as evidenced by the minutes of this meeting; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute Chapter 159, Article 8, Section 151 prior to approval of the proposed contract.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the County, meeting in regular session on the 4th day of May, 2020, declares as follows:

1. The Board of Commissioners has determined that the most advantageous manner of financing the Project is by an installment financing contract pursuant to NCGS 160A-20. In support of thereof, the Board hereby makes the following findings of fact:

a) The proposed contract is necessary or expedient because the Project will provide needed technology equipment and improvements within the Kannapolis City School System and will provide a needed concession stand in Dan Nicholas Park.

b) The proposed contract is preferable to a bond issue for the same purpose because of low fixed costs and favorable interest rates offered through installment contract financing compared to a bond issue. The cost of the proposed undertaking is \$1,600,000 and exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances and non-voted bonds that could be issued by the County in the current fiscal year pursuant to Article V, Section 4, of the North Carolina Constitution.

c) The sums to fall due under the Contract are adequate and not excessive for the proposed purpose based upon estimated costs received from the Kannapolis City School System and the County's architects.

d) The County's debt management procedures and policies are good because they are managed in strict compliance with the law, there have been no defaults on debt service payments and the County is well below its legal debt margin.

e) No increase in property taxes will be necessary to meet the sums falling due under the proposed contract.

f) The County is not in default in any of its debt service obligations.

g) The attorney for the County has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

2. Pursuant to NCGS 160A-20, the County is hereby authorized to finance the Project by entering into an installment financing contract and such other document as may be required to create a security interest in some or all of the property financed to secure repayment of the financing.

3. The County Manager, the Assistant County Manager/Finance Director and other appropriate officers of the County are hereby authorized and directed to file an application with the Local Government Commission for its approval of the financing of the Project in the amount of \$1,600,000, and to work with the Kannapolis City School System and its staff as to the implementation of the Technology Project, and the actions of the County Manager, the Assistant County Manager/Finance Director and other officers of the County in connection therewith are hereby approved and confirmed.

4. The Board hereby accepts the USB 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 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 to attest the same.

5. 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, tax certificates, 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 or the Contract.

6. All other acts of the Board and the officers of the County which are in conformity with the purposes and intent of this Resolution, and in furtherance of the financing of the Project, are hereby ratified, approved and confirmed.

This Resolution is effective upon its adoption this 4th day of May, 2020.

Chairman Edds moved to authorize the Assistant County Manager/Finance Director to establish an escrow account for the loan proceeds. The motion was seconded by Commissioner Klusman and passed unanimously (4-0).

Chairman Edds moved, Commissioner Klusman seconded and the vote to approve the Declaration of official intent to reimburse expenditures passed unanimously (4-0).

*The Declaration of Official Intent to Reimburse Expenditures* was approved as follows:

WHEREAS, Rowan County, North Carolina (the "County") intends to provide financing for certain capital improvements for the Kannapolis City School System, including but not limited to improvements to existing school facilities (the "School Project");

WHEREAS, the County intends to provide financing for certain capital improvements for the County's park facilities (the "Park Project");

WHEREAS, the County has advanced and/or will advance its own funds to pay expenditures relating to the School Project and the Park Project, may borrow funds on a short-term taxable or tax-exempt basis in order to pay such expenditures or may enter into contracts obligating third parties to make certain expenditures relating to the Project (the "Original Expenditures") prior to incurring indebtedness and to receive reimbursement for such Original Expenditures from proceeds of tax-exempt bonds or taxable debt, or both;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the County, meeting in regular session on the 4<sup>th</sup> day of May, 2020, does hereby declare as follows:

1. The County intends to utilize the proceeds of tax-exempt indebtedness or to incur other debt, to pay the costs of the School Project in an amount not currently expected to exceed \$1,000,000.
2. The County intends to utilize the proceeds of tax-exempt indebtedness or to incur other debt, to pay the costs of the Park Project in an amount not currently expected to exceed \$600,000.
3. The County intends that the adoption of this resolution be its declaration of official intent pursuant to Treasury Regulations Section 1.150-2, or any successor or substitute Treasury Regulations which may be promulgated hereafter, and is intended to expressly declare the County's intention to reimburse itself for the Original Expenditures heretofore paid or to be paid by the County, such reimbursement to be made with the proceeds of indebtedness to be incurred by the County.
4. All Original Expenditures to be reimbursed by the County, except to the extent permitted by applicable Treasury Regulations, were paid no more than 60 days prior to, or will be paid on or after the date of, this declaration of official intent. The County understands that such reimbursements must occur not later than 18 months after the later of (i) the date the Original Expenditure was paid; or (ii) the date the Project is placed in service or abandoned, but in no event more than three years after the Original Expenditure was paid.
5. This resolution will take effect immediately upon its passage.

Commissioner Klusman moved approval of the budget amendment followed by a second from Commissioner Pierce. The motion carried unanimously (4-0).

#### **4. PROCLAMATION - SHIELD-A-BADGE WITH PRAYER**

Chairman Edds expressed appreciation for Chaplain Michael Taylor and what the community does for emergency workers, the Sheriff and law enforcement. Chairman Edds read the Proclamation as follows:

WHEREAS, the Shield-A-Badge With Prayer program works to affirm the commitment of Rowan County Law Enforcement Officers and encourages citizen awareness and appreciation for these officers; and

WHEREAS, the program invites citizens to commit to pray for an officer every day for one year and to send birthday cards and notes of thanks to these officers; and  
WHEREAS, through the generosity of individuals, businesses and churches that have donated services and fundraisers, 10,500 Bibles, 3,700 Shield-A-Badge Bible Promise Books and 11,000 New Testaments have been purchased to be given away; and  
WHEREAS, the Shield-A-Badge With Prayer program began in 1995 in Rowan County, by Chaplain Michael Taylor and has begun to expand statewide, reaching out to other counties, municipalities, colleges, hospitals, correctional facilities, 911 communicators, probations officers, animal control officers, state highway patrol troopers, fire departments, Clerk of Court employees, magistrates, judges, District Attorney's Office, County Commissioners, sheriffs, and attorneys; and  
WHEREAS, through the dedication and travels of Chaplain Taylor, counties from across the state are receiving encouragement and training for chaplains.  
NOW, THEREFORE BE IT PROCLAIMED that the Rowan County Board of Commissioners does hereby establish the month of May as Shield-A-Badge With Prayer Awareness Month.

Chairman Edds moved approval of the Proclamation as read followed by a second from Commissioner Pierce. The motion passed unanimously (4-0).

### **5. PROCLAMATION - LAW ENFORCEMENT WEEK**

Chairman Edds said Commissioner Caskey (who is also a Charlotte-Mecklenburg Police Officer) would normally be called upon to read the Proclamation for Law Enforcement Week. Chairman Edds stated Commissioner Caskey was currently serving with the National Guard.

Commissioner Klusman read the Proclamation as follows:

WHEREAS, in 1962, President John F. Kennedy signed a Presidential Proclamation that set aside May 15<sup>th</sup> as National Peace Officers' Memorial Day and the week of May 10-16 as National Police Week; and  
WHEREAS, the members of all the law enforcements agencies in Rowan County play an essential role in safeguarding the rights and freedoms of all our citizens; and  
WHEREAS, it is important that all citizens know and understand the duties, responsibilities, hazards and sacrifices of their law enforcement agencies; and  
WHEREAS, members of our law enforcement agencies recognize their duty to serve the people by safeguarding life and property, by protecting them against violence and disorder, and by protecting the innocent against deception and the weak against oppression; and  
WHEREAS, law enforcement officers, past and present, have faithfully and loyally rendered a dedicated service to this County and have established for themselves an enviable and enduring reputation to preserving the rights and security of all citizens.  
THEREFORE, BE IT PROCLAIMED that the Rowan County Board of Commissioners does hereby proclaim May 10-16, 2020 as LAW ENFORCEMENT WEEK.  
NOW, THEREFORE BE IT FURTHER PROCLAIMED that the Rowan County Board of Commissioners calls upon all citizens of Rowan County to observe May 13, 2020 as PEACE OFFICERS' MEMORIAL DAY in honor of those law enforcement officers who, through their courageous deeds, have made the ultimate sacrifice in service to their community or have become disabled in the performance of duty, and let us recognize and pay respect to the survivors of our fallen heroes.

Commissioner Klusman moved approval of the Proclamation as read. The motion was seconded by Commissioner Pierce and passed unanimously (4-0).

## **6. RECOMMENDATION TO IMPLEMENT A HIRING FREEZE**

According to the information in the agenda packet, as a result of the economic impact of the COVID-19 Pandemic, and in an effort to maintain a balance of satisfactory service to the citizens and employees of Rowan County, County Manager Aaron Church recommended implementation of an immediate hiring freeze. Department Directors would be able to petition for exceptions to the hiring freeze. Consideration would be given for positions that were critical to citizen and employee personal health and safety; compliance with federal, State and local laws and regulations; and delivery of essential County services.

Before the discussion began, Mr. Church provided a brief presentation to highlight the how the COVID-19 Pandemic would impact the budget.

Commissioner Pierce asked if those who were retiring would be replaced. Mr. Church noted the language in the agenda packet stated all positions would be frozen and not filled unless there was an exception made. The County Manager would be authorized to make exceptions.

Commissioner Pierce recalled that previous County Manager, Gary Page, had helped develop an early retirement program around seven (7) years ago. Commissioner Pierce asked if the County could look at the program to see whether it would be feasible to offer an early retirement option to eligible employees. Mr. Church responded that he had not looked at the program but he could do so.

Commissioner Klusman agreed with Commissioner Pierce's suggestion.

Commissioner Pierce added that the County did not want to force people to retire; however, there were employees who continued to work for the benefit of health insurance. Commissioner Pierce said staff could check into whether it would be more cost-effective for the County to opt to pay for those employees' insurance as opposed to paying their salary.

Mr. Church restated staff had not looked into the suggestion but could.

Mr. Church said if approved, the hiring freeze would go into effect. Mr. Church said the freeze did not necessarily mean the County would be eliminating positions right now; however, it was a measure to put in place in case the economy did not improve or became worse than projected.

Chairman Edds also agreed Commissioner Pierce had made a good suggestion. Chairman Edds asked Mr. Church which tool he would use first as he moved through the stages of making cuts. Mr. Church responded he would implement the hiring freeze first.

Chairman Edds inquired as to the next step and Mr. Church asked Human Resources Director Kelly Natoli to speak regarding the policy and how it affected employees.

Ms. Natoli said the County had a Reduction in Force (RIF) Policy it was required to follow and the Policy was substantially equivalent to the State Human Resources Act. Ms. Natoli said the RIF had specific steps that would be followed and she discussed which steps would be taken and in which order. Ms. Natoli continued by saying the first step would be to reduce temporary and non-benefitted part time positions. The remainder of the RIF would be looked at on case-by-case basis in accordance with the guidelines. Ms. Natoli highlighted portions of the guidelines and considerations that would be given.

Commissioner Greene mentioned that the County had planned to bring Rowan Transit System (RTS) in-house and he asked if those plans would be affected by the transition. Mr. Church responded that bringing RTS in-house was to occur in the next budget year and the County expected the change would reduce the cost of the program.

Commissioner Greene moved to approve the implementation of the County Manager's hiring freeze. The motion was seconded by Commissioner Klusman.

Commissioner Pierce said once the hiring freeze was implemented, he would like to see the Board consider looking at the early retirement program. Commissioner Pierce said the program had been very successful the last time it was offered. Commissioner Pierce said there had been a tremendous savings to the County, while also allowing other employees to move up at lesser salaries. Commissioner Pierce said he would like for the Board to examine how the program would look.

Commissioner Klusman agreed with Commissioner Pierce and felt the program should be researched now so when the time came, the Board would know which direction to take. Commissioner Klusman said her experience in the Legislature also had seen tremendous savings with a similar program.

Chairman Edds asked Mr. Church if the research could be done. Mr. Church responded that staff would certainly look into the program and provide the information to the Board.

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

## **7. CONSIDER APPROVAL OF BUDGET AMENDMENTS**

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

- Health Department - To disperse funds awarded from Delta Dental - \$5,000
- Finance – To budget Watershed Restoration Project funds offered to Rowan County Soil & Water, under the Hurricane Florence Emergency Response Act - \$19,000

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

**8. ADJOURNMENT**

There being no further business to come before the Board, Commissioner Pierce moved to adjourn at 3:34 p.m. The motion was seconded by Commissioner Klusman and passed unanimously.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Carolyn Barger".

Carolyn Barger, MMC, NCMCC  
Clerk to the Board