

**STANLY COUNTY
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
APRIL 17, 2017**

COMMISSIONERS PRESENT:

Bill Lawhon, Chairman
Joseph Burleson, Vice Chairman
Scott Efirm
Janet K. Lowder
Gene McIntyre
Ashley Morgan
Matthew Swain

COMMISSIONERS ABSENT:

None

STAFF PRESENT:

Andy Lucas, County Manager
Jenny Furr, County Attorney
Tyler Brummitt, Clerk

CALL TO ORDER

The Stanly County Board of Commissioners (the “Board”) met in regular session on Monday, April 17, 2017 in the Commissioners Meeting Room, Stanly Commons. Chairman Lawhon called the meeting to order at 7:00 p.m. with Commissioner McIntyre giving the invocation and leading the pledge of allegiance.

APPROVAL / ADJUSTMENTS TO THE AGENDA

By motion, Vice Chairman Burleson requested the addition of two (2) items to the agenda: 1) K9 Retirement & Assignment to Handler as item # 4 and 2) Sales Tax Distribution Discussion as item # 5 followed by the consent agenda as item # 6.

Chairman Lawhon requested that each addition be made in the form of a separate motion. Vice Chairman Burleson moved to add the K9 retirement as item # 4. The motion was seconded by Commissioner McIntyre and passed by unanimous vote.

On a separate motion, Vice Chairman Burleson requested a discussion related to the sales tax distribution be added as item # 5. The motion was seconded by Commissioner Morgan and carried by a vote of 4 – 3.

Ayes: Vice Chairman Burleson, Commissioner McIntyre, Commissioner Morgan and Commissioner Swain.

Nos: Chairman Lawhon, Commissioner Efirid and Commissioner Lowder.

ITEM # 1 – STANLY COUNTY UTILITIES

Presenter: Donna Davis, Utilities Director

Stanly County Utilities received bids for the Airport Road Sewer Project on Thursday, April 6, 2017. Seven (7) bids were received with Herrin Industries of Mt. Pleasant, NC having the lowest bid at \$1,055,466.32. The project will be partially funded by a Clean Water State Revolving Loan of up to \$1,121,043 and a NC Department of Commerce grant in the amount of \$500,000.

It was requested the Board award the construction contract to Herrin Industries in the amount of \$1,055,466.32 and adopt the resolution to accept the Clean Water State Revolving Loan of up to \$1,121,043.

After a brief period of questions by the Board, Commissioner Swain moved to award the contract to Herrin Industries and adopt the resolution as requested. The motion was seconded by Commissioner McIntyre and carried by unanimous vote.

Exhibit A

Resolution by Governing Body of Applicant

ITEM # 2 – STANLY WATER & SEWER AUTHORITY (SWSA)

Presenter: Donna Davis, Utilities Director

Stanly Water & Sewer Authority has an existing loan with Stanly County in the amount of \$396,000 at a rate of three percent (3%) and no fixed term. It was requested the Board approve a refinance of the loan payoff with an additional \$104,000 for a total new loan amount of \$500,000 at a two percent (2%) rate for a fixed twenty (20) year term. The additional \$104,000 will be used to provide operating reserves for the SWSA.

After a brief period of comments and questions, Commissioner McIntyre moved to approve the refinance of the existing SWSA loan based on the terms requested. His motion was seconded by Commissioner Morgan and carried by a 7 – 0 vote.

See Exhibit B

Interlocal Agreement

ITEM # 3 – UWHARRIE PLAYERS – REQUEST TO UTILIZE THE COURTHOUSE FACILITY FOR OCTOBER 2017 PERFORMANCE

Presenter: Andy Lucas, County Manager

Uwharrie Players submitted a request to utilize the Courthouse facility for their two (2) week play production of “A Few Good Men” in October 2017. If the Board decides to allow use of the facility for this, it was recommended that a Facility Use Agreement be executed to address insurance requirements, fees, security and other issues related to the lease of the facility. It was requested the Board consider the Uwharrie Players request, and if approved, establish a rental and cleaning fee and authorize the use of a Facilities Use Agreement as well.

The Board participated in a general discussion that included questions regarding the courtroom’s capacity for seating, fees charged for the use of other county facilities such as the Agri-Civic Center and Senior Center for events, security at the event, concerns of setting a precedent if the request is granted and if any liability may be incurred by the County if the request is approved.

Chairman Lawhon recognized Vicki Coggins, Chairman of the Uwharrie Players Board of Directors who came forward to present the request and entertain questions from the Board.

Vice Chairman Burleson moved to approve the Uwharrie Players use of the facility at a fee of \$200 per evening that the facility is in use (rehearsals and shows) for a total of \$1,200. Commissioner McIntyre asked Vice Chairman Burleson to amend his motion to include the authorization of a Facilities Use Agreement as well. Vice Chairman Burleson agreed and Commissioner McIntyre seconded the motion.

Commissioner Lowder noted that she would be voting against approval of the request because she feels the Board needs to be fair to all groups. Commissioner McIntyre voiced his support noting that the Board has not been able to support the arts financially in recent years and can help do so by reducing the rate in this situation. Commissioner Swain echoed Commissioner McIntyre’s comments of support for the arts and his support of the request. He requested an amendment be made to the previous motion which would require an inspection be completed by the fire marshal’s office prior to the first show. Vice Chairman Burleson agreed and amended his motion.

With a first and second to the motion, Chairman Lawhon called for a vote. The motion passed with a 4 – 3 vote.

Ayes: Vice Chairman Burleson, Commissioner McIntyre, Commissioner Morgan and Commissioner Swain.

Nos: Chairman Lawhon, Commissioner Efirid and Commissioner Lowder.

ITEM # 4 – K9 RETIREMENT & ASSIGNMENT TO HANDLER

Presenter: Andy Lucas, County Manager

Sheriff's Office K9 Jabez was recommended for retirement by Dr. Osborn-Weber of the Albemarle Animal Clinic due to health issues. It was requested the Board take action to retire K9 Jabez and approve his trainer taking possession of him.

Commissioner Lowder moved to approve K9 Jabez's retirement and was seconded by Commissioner McIntyre. The motion passed by unanimous vote.

Commissioner McIntyre moved to approve allowing K9 Jabez's handler to take possession of him. Vice Chairman Burleson seconded the motion which carried by a 7 – 0 vote.

ITEM # 5 – SALES TAX DISTRIBUTION DISCUSSION

Presenter: Vice Chairman Burleson

Prior to any discussion, Commissioner Efird moved to table the item to allow the Board and staff members to further evaluate the information presented since several of the commissioners received the information late that day. His motion was seconded by Commissioner Lowder.

Vice Chairman Burleson stated that he understands some may have received the information that day but felt a discussion of the issue could still take place and that afterwards the Board can table the item if they choose to do so.

With a motion and a second, Chairman Lawhon called for a vote. The motion to table the item failed by a 4 – 3 vote.

Ayes: Chairman Lawhon, Commissioner Efird and Commissioner Lowder

Nos: Vice Chairman Burleson, Commissioner McIntyre, Commissioner Morgan and Commissioner Swain

Chairman Lawhon then opened the floor for discussion. Vice Chairman Burleson stated this information was brought to his attention some time ago and that he was previously unaware of how the county has been giving away \$600,000 - \$1.3 million in sales tax revenue for many years by passing it on to municipalities. Based on recent discussions, the county is in a situation where many projects such as the community college, K12 education, Sheriff's Office and detention center have been funded without help from the municipalities. Due to several unsuccessful attempts to pass a ¼ cent sales tax referendum, he added that this may be a way to get the funding needed to invest in those areas by changing to an ad valorem method. Vice Chairman Burleson noted that there was also a question as to whether a change in method

would require funds to be distributed to local fire or sanitary districts adding that he has been unable to find this in the general statutes.

Chairman Lawhon stated that the handout provided notes that the county would gain an estimated \$1.4 million but the municipalities would lose that same amount and asked for an explanation. Vice Chairman Burleson stated that currently funds are distributed on a per capita basis in which municipalities with a higher density in population receive a larger portion of the sales tax revenue. These funds are received by the county and passed on to the towns with the county retaining none of the funds. In response, Chairman Lawhon reiterated that if the method changes the county would gain at the expense of the municipalities losing those funds.

Commissioner Lowder noted how difficult it would be for the towns to lose these funds from their budgets since they are still recovering from the recession several years ago and are also trying to grow and maintain services. Vice Chairman Burleson responded that the amounts provided are an estimate and that the Board could distribute a portion of the revenue back to the municipalities rather than keep it all. Commissioner Lowder expressed concerns with how the Board would determine and prioritize the needs of the towns and how the money would be distributed. Vice Chairman Burleson stated it would need to be done in a fair way to benefit residents in both the municipalities and in the county. Commissioner Lowder responded stating the Board has an obligation to all citizens and that they need to build relationships with the municipalities and not do anything that is hurtful.

Commissioner Efird stated that what makes Stanly County great are all the individual towns and expressed concerns that the amounts lost would result in a huge hit to the towns' budgets. He noted that Locust recently built a park which has a huge financial impact for the city and feels that moving this tax around would crumble or destroy the towns.

Commissioner Morgan stated that this money is not differentiated between the county and towns but belongs to everyone and it is the Board's job to oversee what benefits everyone. He added that even though it comes from the municipalities budgets, it will still pay for core services for all citizens and help fund economic development. He noted there may be a way to set it up to be less of a hit for the municipalities, but feels the funds should be in the county's hands to determine how it can benefit all citizens.

After a brief discussion concerning the April 28, 2017 deadline for the Board's decision concerning the reallocation method, Chairman Lawhon moved to table the item to allow both the Board members and staff the time needed to evaluate the information presented. Commissioner Lowder seconded the motion. The motion carried by a 4 – 3 vote.

Ayes: Chairman Lawhon, Commissioner Efird, Commissioner Lowder and Commissioner Swain
Nos: Vice Chairman Burleson, Commissioner McIntyre and Commissioner Morgan

ITEM # 6 – CONSENT AGENDA

- A. Minutes – Regular meeting of April 3, 2017.
- B. Finance – Request approval of the attached vehicle tax refund report.
- C. Planning & Zoning – Request approval of the attached interlocal agreement between the Stanly County Planning Department and the Town of Stanfield.
- D. Airport – Request approval of budget amendments # 2017-40 & # 2017-41 and associated project ordinance.

By motion, Commissioner Efird moved to approve the consent agenda as presented. The motion was seconded by Commissioner McIntyre and passed by unanimous vote.

PUBLIC COMMENT

Bill Harwood of Badin came forward to speak against the county's potential reallocation of the sales tax revenue noting the funds lost would more than likely have to be made up in the form of a property tax rate increase.

Ryan Hatley, a Badin council member, also spoke against the reallocation stating that such a move would devastate the Town of Badin financially.

Ann Harwood, Mayor of Badin, requested the Board give the municipalities a chance to respond to the proposed reallocation of funds prior to making a decision.

Chris Bramlett, an Albemarle city council member also spoke against the reallocation of funds stating it would result in the City of Albemarle losing at least \$500,000 from its annual budget.

Martha Sue Hall, an Albemarle City Council member expressed concerns that no previous notice of this item being added to the agenda was provided with it having such a large impact.

Jay Almond, Badin Town Manager, spoke against the reallocation of funds stating that the Town of Badin would lose \$254,000 of their budget only leaving \$209,000 raised from property taxes thus crippling the town and forcing them to reduce or cut town positions and services.

BOARD COMMENTS, ANNOUNCEMENTS & COMMITTEE REPORTS

Commissioner Morgan reminded everyone of the Regulatory Referendum Committee meeting scheduled for Tuesday, April 25th at 5:30 p.m. in the County Manager's Conference Room.

Commissioner Efirm noted the upcoming Kerry Efirm Scholarship Run on April 29th which raises scholarships funds for seniors at West Stanly High School.

Vice Chairman Burleson noted a lapel pin he was wearing which represents his support of the protection of unborn children. He also congratulated Representative Justin Burr on his appointment as Chair of the Appropriations Committee and thanked him for his work in Raleigh.

Commissioner Lowder noted those in attendance from the City of Albemarle, Town of Badin and Town of Norwood who addressed the Board regarding the sales tax reallocation discussion adding that she looks forward to further input from all the towns on the issue.

Commissioner Swain stated that he had attended the local fire chiefs meeting the prior week where the proposed contract between the local fire departments and the county was discussed at length and should be brought before the Board for approval in the near future.

Chairman Lawhon took a moment to recognize the Economic Development Director Mr. Michael Smith who was in attendance.

RECESS

With no further comments or discussion, Chairman Lawhon recessed the meeting until Monday, May 15th at 5:30 p.m. for a joint dinner meeting with the Library Board of Trustees in the new Stanly County History Center. The meeting was recessed at 8:36 p.m.

W. D. (Bill) Lawhon, Jr., Chairman

Tyler Brummitt, Clerk