

**STANLY COUNTY
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
MAY 16, 2016**

COMMISSIONERS PRESENT:

T. Scott Efird, Chairman
Bill Lawhon, Vice Chairman
Peter Ascitutto
Joseph Burluson
Tony M. Dennis
Janet K. Lowder
Gene McIntyre

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, May 16, 2016 at 7:00 p.m. in the Commissioners Meeting Room, Stanly Commons. Chairman Efird called the meeting to order with the Park Ridge Christian School Drill Team leading the pledge of allegiance and participating in the invocation given by Chairman Efird.

APPROVAL / ADJUSTMENTS TO THE AGENDA

With no amendments to the agenda, Commissioner Lowder moved to approve it as presented. Commissioner Dennis seconded the motion which passed by unanimous vote.

ITEM # 1 – CENTRALINA COUNCIL OF GOVERNMENTS (CCOG) PRESENTATION

Presenter: Jim Prosser, Executive Director

Mr. Prosser provided an update on the Centralina Council of Governments recent activities and their dedication to partnering with communities in the region to help grow the economy and jobs, improve the quality of life and control the cost of government. CCOG also provides a variety of services for the region including the administration of state and federal grants in the areas of aging, workforce development, economic development and planning. Centralina COG also provides technical assistance services to local government members and other organizations in the areas of: regional planning, transportation, energy and environment, local

government assistance, and business resources. He thanked the County for their continued support and entertained questions from the Board.

No action was required from the Board.

ITEM # 2 – SCUSA TRANSPORTATION’S UPDATED TITLE VI PROGRAM PLAN

Presenter: Gwen Hinson, Transportation Director

For Board consideration, Ms. Hinson presented the Updated Title VI Program Plan noting that revisions were made based on new required federal guidelines. Prior to the plan being submitted to the NC DOT and the Civil Rights Office, the plan must be approved by the Board. After noting the specific changes to the plan, Board approval was requested.

By motion, Commissioner Dennis moved to approve the updated plan and was seconded by Commissioner Burleson. The motion carried with a 7 – 0 vote.

ITEM # 3 – UTILITIES

Presenter: Donna Davis, Utilities Director

Commissioner Burleson moved to recess the meeting of the Stanly County Board of Commissioners and reconvene as the Greater Badin Water and Sewer District Board. Commissioner Dennis seconded the motion which carried with a 7 – 0 vote.

A. Greater Badin Water & Sewer District (GBWSD) – Badin Rehabilitation Project B

The GBWSD has received funding through the NC DEQ Drinking Water State Revolving Fund for the Badin Rehab Project Part B in the amount of \$6,057,970. It was requested the Board take action to accept the loan offer and approve the associated resolution, project ordinance and budget amendments to recognize the increased loan revenue and two percent (2%) closing costs payable from retained earnings.

By motion, Commissioner Dennis moved to approve the above items as requested and was seconded by Commissioner Lowder. The motion passed by unanimous vote.

**See Exhibit A
Resolution by Governing Body of Applicant,
Capital Project Ordinance & Associated Budget Amendments**

With no further discussion, Commissioner Dennis moved to adjourn the meeting of the GBWSD and reconvene the regular meeting of the Board of County Commissioners. The motion was seconded by Commissioner Burleson and carried with a vote of 7 – 0.

B. EXTENSION OF THE INTERLOCAL AGREEMENT WITH STANFIELD FOR BULK WATER SALES

It was requested the Board review and approve the interlocal agreement to extend the contract for a term of five (5) years between Stanly County and Stanfield for bulk water sales.

With no questions from the Board, Vice Chairman Lawhon moved to approve the agreement and was seconded by Commissioner Dennis. The motion passed by unanimous vote.

See Exhibit B

Interlocal Agreement & Contract Extension #1

ITEM # 4 – CLOSEOUT PUBLIC HEARING FOR THE FY12 SCATTERED SITE HOUSING PROGRAM (GRANT # 12-C-2430)

Presenter: Andy Lucas, County Manager

The County Manager stated that a closeout public hearing is required in order to discuss the program performance and allow the citizens of Stanly County an opportunity to make any comments on the closeout of the project.

In the spring of 2013, the County received \$250,000 from the U.S. Department of Housing and Urban Development CDBG funding through the NC Department of Commerce. Proposed project activities included the rehabilitation of four (4) household units with 100% of the funds benefiting low-to-moderate income households.

Program activities are nearly complete and grant funds are approximately eighty percent (80%) expended with 100% completion of activities and expenditures expected in the next few weeks. It is anticipated that no funds will be returned to the NC Commerce. Final requisitions for funds and closeout documents will be submitted to the DOC by June 24, 2016. The project has been successful and remained in compliance with the required federal regulations associated with funding.

With no questions from the Board, Chairman Efird declared the public hearing open for the closeout of the FY12 CDBG Scattered Site Housing Grant # 12-C-2430. With no one coming forward to speak for or against, the hearing was closed. No further action was required.

ITEM # 5 – BOARD & COMMITTEE APPOINTMENTS

Presenter: Andy Lucas, County Manager

A. STANLY WATER & SEWER AUTHORITY APPOINTMENT

Due to the recent resignation of SWSA member Mr. Don Brooks, it was requested the Board name a replacement to serve his unexpired term until January 21, 2017.

Commissioner Burleson nominated Mr. Joshua J. Morton, Jr. and the nomination was seconded by Vice Chairman Lawhon. Commissioner McIntyre moved to close the nominations and Mr. Morton was appointed by acclamation.

B. TOWN OF NORWOOD'S BOARD OF ADJUSTMENT & PLANNING BOARD APPOINTMENT

Per a letter from the Town of Norwood, it was requested the Board appoint a member to serve on the town's Board of Adjustment and Planning Board to fill the ETJ vacancy. The Norwood Town Council recommended Mr. Richard Lilly be appointed to serve the term beginning January 1, 2016 through December 31, 2018.

By motion, Commissioner Burleson moved to appoint Mr. Lilly as requested. Commissioner McIntyre seconded the motion which passed by unanimous vote.

ITEM # 6 – PRESENTATION OF THE MANAGER'S FY 2016-17 RECOMMENDED BUDGET

Presenter: Andy Lucas, County Manager

The following items were noted as part of the County Manager's recommended budget presentation:

- No recommended property tax rate increase for the tenth (10th) straight year with the rate remaining at \$0.67 per \$100 of valuation.
- Education will receive the majority of the County's funding but continues to include funding for economic development and public safety as well.
- 3.6% increase (or \$2.1 million) in the overall budget from the previous year with an estimated fund balance appropriation of \$1.6 million tied to one time capital outlay and educational grants.
- Stanly County Schools – will receive an increase of \$385,000 for additional recurring operational expense allocation, \$465,000 additional funding tied to the Article 44 sales tax, \$400,000 one-time technology replacement grant, \$86,000 for teacher supplemental pay grant and \$80,000 additional capital outlay.
- Stanly Community College – will receive a proposed 4.2% (or \$55,000) increase in current expense allocation.
- Of the total recommended budget, 84% (\$50.7 million) has been appropriated for mandated services such as social services, public health, debt service, law enforcement and education with 1/3 of local dollars being allocated for education.
- Human capital management – includes a 2.5% COLA for employees, \$220,000 (which reflects a \$30,000 increase) in contingency for possible performance based merit pay on January 15, 2017, continuation of the wellness clinic and health insurance gainsharing, continue to pay 100% of employee health insurance premiums but utilize \$300,000 from Group Health Fund Balance to offset employer cost.
- Of the total \$924,148 in capital projects and improvement requests submitted, \$626,350 is included in the recommended budget.

- Several of the recommended fee changes include: a reduction in Inspections fees for Commercial Solar Farms, an increase in the household solid waste fee by \$2, increase in the Agri-Civic Center rental fees for the first time in 8 years, an increase of \$20 for out-of-county library cards for both families and individuals, various Health Department fees including numerous immunizations, state mandated changes for Environmental Health and changes Animal Control's reclaim fee structure as well as changes to the Senior Center's event rental fee structure.
- Volunteer Fire Departments - West Stanly VFD has requested an increase in their fire district tax from \$0.0842 cents to \$0.10 and Oakboro VFD from \$0.04 to \$0.06.
- Utilities – A 4% increase in water and sewer rates based on a 4% rate increase proposed by the City of Albemarle.

It was noted that the public hearing for the recommended budget will be held during the Board's regular meeting on Monday, June 6, 2016 at 7:00 p.m. The presentation was for information only and required no action by the Board.

Following the presentation, Commissioner Ascitto thanked the County Manager for his presentation stating that he is proud of the investments the County has made. However, he does feel the County neglects to make repairs in a timely manner and delays them longer than they should be. For clarification, he addressed the County Manager by asking that of the \$1.6 million estimated to come from the County's General Fund to balance the budget, \$1 million is for one-time costs and the remaining \$600,000 is for recurring costs, correct? The County Manager responded that there are some other items included that are not recurring and these will be offset during the year when additional revenues are identified thus Fund Balance will not be used. He also noted that although the proposed budget is based on conservative estimates, Fund Balance has been included since 2008 to balance the budget but has not been needed except during the time of the Alcoa lawsuit.

For consideration during the budget process, Commissioner Ascitto requested the Board add the Agri-Civic Center lobby expansion for \$120,000 and include additional funding for capital improvements to the school facilities in next year's budget. In response, the County Manager stated the school board's budget request included \$2.6 million for current expenses and \$500,000 for a technology grant but did not include a request to fund any capital improvements. Therefore it was not considered in the recommended budget.

Commissioner Burleson asked the County Manager what amount he estimates will be added to the County's Fund Balance at fiscal year-end. The County Manager deferred to Finance Director Toby Hinson who stated that with Finance continuing to book revenues and expenses into the month of August for the current fiscal year it is difficult to give an estimate. Just as a

comparison, he noted that the County is trending now as it was the same time last year which ended by adding approximately \$1 million to Fund Balance.

For clarification, Commissioner Burleson confirmed that the \$465,000 which will come from the Article 44 sales tax has been recommended to go to the schools to which the County Manager replied yes. The County Manager also stated that in the future, a portion of those funds could be designated for the community college, but he felt the public schools have the greater need at this time.

Commissioner Burleson stated that the school board's decision to close Oakboro Elementary School will only exacerbate the problems the school system is facing and that the \$550,000 that will be saved will in turn be lost due to students who continue to withdraw from the public education system to go elsewhere. He challenged the Board to put pressure on the school board to keep Oakboro open until the new school board members are given the opportunity to look at the County's public education system prior to moving forward with any changes.

To accomplish this, Commissioner Burleson made a motion that the County find funding in the amount of \$550,000 in next year's budget and / or General Fund Balance to give to the school board and request they accept the funds in order to keep Oakboro Elementary School open for one more year. The motion was seconded by Commissioner McIntyre.

The discussion continued with Commissioner Ascitto stating that Commissioner Burleson had been against the ¼ cent sales tax referendum which was on the primary ballot earlier this year and would have generated approximately \$1.1 million for education. Commissioner Burleson responded that he was against the referendum due to the school board's plans to consolidate schools and that if closing schools had been taken off the table, the referendum would have passed. Commissioner McIntyre stated that even though the County had requested the school board delay taking any action in order to allow the County time to go through the budget process and seek additional funding for schools, they moved forward with the plan. He added that based on the recommended budget for next year, the County Manager has identified an additional \$954,000 in funding for the schools over last year. Vice Chairman Lawhon stated the although the delivery of education today is much different than in the past, he is still concerned with the number of children leaving public education to be home schooled or attend charter schools and the school board's inaction to determine why they are leaving and how to get them back. In response, Commissioner Ascitto stated the school superintendent has reached out to the parents of home schooled students in the past and requested to meet with them to discuss various programs and/or online classes for the children, but has received no response from the home school community.

Commissioner Burleson then requested the Board take action on the motion. Commissioner Ascitutto added that if the Board moves forward and approves Commissioner Burleson's motion, he also hopes that a one cent property tax increase will be considered to help fund repairs needed at Oakboro School.

Commissioner Lowder stated that the County Manager and the department heads have spent a lot of time preparing the recommended budget and out of respect for them, she cannot support the motion until she and the Board has had time to go through the process of participating in the budget workshops.

Commissioner Burleson stated the need for the Board to move forward and not wait since the School Board is moving forward with plans to close and consolidate schools.

Commissioner Dennis stated that rather than staff finding the funds, the Board should be responsible in locating the \$550,000. Commissioner Burleson agreed and stated he would amend his motion to include this.

Commissioner Burleson amended his motion stating the Board, along with the assistance of staff, will find the capacity in the current recommended budget and / or through General Fund Balance in the amount of \$550,000 to offer to the school board in order to keep Oakboro Elementary School open for one more year. Commissioner McIntyre seconded the motion which passed by a 4 – 3 vote:

Ayes: Vice Chairman Lawhon, Commissioner Burleson, Commissioner Dennis, Commissioner McIntyre

Nos: Chairman Efird, Commissioner Ascitutto, Commissioner Lowder

RECESS

Chairman Efird called for a ten (10) minute recess at 9:10 p.m. The meeting was reconvened at 9:20 p.m.

ITEM # 7 – MUSEUM RELOCATION DISCUSSION

Presenter: Andy Lucas, County Manager

Over the past several months, the County has been evaluating the possible relocation of the museum from its current site on East Main Street to the former City Hall Annex facility on Second Street. For Board consideration, the County Manager presented a ten (10) year lease agreement from the City of Albemarle for the City Hall Annex facility which will require the County to replace all HVAC units and pay half of the cost to replace the roof. Additionally, the wireless communication technology used for Internet service at the existing museum location

will not be feasible at the City Hall Annex facility. As a result, the County's IT staff has estimated the cost to install the infrastructure at \$16,500. The total cost of the museum relocation is estimated to be \$147,500. Further, the Convention & Visitors Bureau has expressed a desire to remain at The Commons rather than relocate to the current museum facility.

Due to the increased cost to relocate to the City Hall Annex and the uncertainty for how the museum facility will be utilized, staff is unable to recommend relocation at this time.

Commissioner Dennis agreed making the motion not to move forward with the museum relocation and was seconded by Commissioner McIntyre. The motion passed by unanimous vote.

ITEM # 8 – CONSENT AGENDA

- A. Minutes – Regular meeting of April 18, 2016
- B. Finance – Request approval of the attached vehicle tax refunds
- C. Sheriff's Office – Request approval of budget amendment # 2016-34
- D. E-911 – Request approval of budget amendment # 2016-37

Commissioner Dennis moved to approve the consent agenda as presented. His motion was seconded by Commissioner McIntyre. The motion carried with a 7 – 0 vote.

PUBLIC COMMENT

Anthony Graves thanked the commissioners for their vote to fund the \$550,000 needed to keep Oakboro Elementary School open for another year. He reiterated the County Manager's comments that the school system is struggling and needs significant investment as well as funding for the deferred maintenance on many of the school facilities. He encouraged the Board to consider Commissioner Ascitutto's request to try and fund these improvements over the next several years.

John Edwards also thanked the Board members for their support of Oakboro School. He feels the school will be needed for the students that accompany the growth that will take place in the western area of the county. He stated concerns that the School Board did not complete the appropriate studies as claimed and therefore have not presented this information to the community to show where the money saved by closing Oakboro School will be reinvested into the curriculum. Before closing the school, he feels more work needs to be done and the information studied prior to taking any action.

Patty Crump reiterated previous comments by thanking the Board members who voted in support of Oakboro School stating that she feels the school system is in a crisis situation. She noted concerns that if the School Board continues to close and consolidate schools as planned, funding for public education will continue to decrease due to even more students leaving the system.

GENERAL COMMENTS, ANNOUNCEMENTS & COMMITTEE REPORTS

Commissioner Ascitutto stated that the School Board came up with several plans to improve education by reinvesting the money saved through consolidating schools to provide educational opportunities to the students. He also understands the emotional ties to community schools, but as a result of this the education system is being held back. He noted concerns that the School Board continues to be criticized for doing the job they have been elected to do and that students were leaving the school system prior to the current School Board taking office because the delivery of education has changed.

CLOSED SESSION

Commissioner Dennis moved to recess the meeting into closed session to discuss economic development in accordance with G. S. 143-318.11(a)(4). The motion was seconded by Commissioner Burleson and passed unanimously at 9:08 p.m.

ADJOURN

With no further discussion, Commissioner Lowder moved to adjourn the meeting and was seconded by Commissioner Burleson. Motion carried with a 7 – 0 vote at 10:03 p.m.

Terry Scott Efird, Chairman

Tyler Brummitt, Clerk