

**PLANNING RETREAT
RICHMOND COUNTY BOARD OF COMMISSIONERS
RICHMOND COUNTY AIRPORT CONFERENCE ROOM
TUESDAY, JANUARY 16, 2007, 9:00 A.M.**

The Richmond County Board of Commissioners met for the Annual Planning Retreat on Tuesday, January 16, 2007 at 9:00 A.M. with the following present: Chairman Kenneth R. Robinette; Vice-Chairman John B. Garner; Commissioners Pam Dillman, Jimmy L. Maske, Thad Ussery, J. C. Watkins, and Paul Wilson, Jr.

Staff and others present: County Manager James E. Haynes; County Attorney Stephan R. Futrell; Clerk Marian S. Savage; Director of Development Rick Sago; Community Services Director B. K. Jones; IT Director Jimmy Quick; Public Information Officer Crystal Cagle; Architectural Consultants Glenn Ware and Pete Cayado.

ITEM NO. 1 – CALL TO ORDER BY CHAIRMAN ROBINETTE

The meeting was called to order by Chairman Robinette at 9:00 A.M.

ITEM NO. 2 – INVOCATION

The invocation was delivered by Commissioner Thad Ussery.

ITEM NO. 3 – OPENING REMARKS BY CHAIRMAN ROBINETTE – DISCUSSION OF FORMAT FOR RETREAT

Chairman Robinette offered opening remarks, stating that this is a day for informal discussion and planning toward the next 4 to 5 years. Chairman Robinette then turned the meeting over to County Manager Haynes to introduce the topics for discussion.

County Manager Haynes commented on moving forward with discussion of projects as the Board desires. Mr. Haynes then deferred to consultant Glenn Ware of Ware Bonsall Architects, who made a presentation to the Board 3 years ago during the Planning Retreat at Ellerbe Springs.

ITEM NO. 4 – 9:00 A.M. – APPEARANCE BY MR. GLENN WARE OF WARE-BONSALL ARCHITECTS FOR UPDATE ON COURTHOUSE PLANNING

Architect Glenn Ware provided a PowerPoint presentation to update the Board of courthouse and jail construction options, noting that he has been working with Richmond County for approximately 6 years on these plans.

Components of the courthouse were displayed, totalling 80,484 sq. ft.

Mr. Ware went on with the discussion, noting that space needs projected to the Year 2021 have been projected, based on 6 courtrooms with additional space allowed to meet needs projected 10 years from now. The plans proposed a 3-story building, although Mr. Ware advised that a 4-story building would be more efficient and would require less footprint. Mr. Ware indicated that discussions are underway with the City of Rockingham to address zoning restrictions that would prohibit a 4-story structure due to height limitations of the City's ladder truck.

Mr. Cayado discussed the 3-story option, advising that in order to comply with the City's height limitations, the building would be 300 feet in length.

In discussion of jail construction, Mr. Haynes advised that the City has rejected the idea of closing Lee Street. Cost of an overhead connection or a tunnel to connect buildings has been estimated at \$2,000,000.00, and the existing parking lot space would be taken with the building.

Mr. Cayado then discussed the 4-story option, noting that this would allow for reducing the footprint and save more parking spaces. Mr. Ware added that the 4-story building would be more efficient and compact with fewer corridors.

Commissioner Garner confirmed that plans include 6 courtrooms, and he questioned efficiency in terms of utilization of courtrooms, staff, etc. Mr. Ware stressed that the plans project 10 to 15 years into the future. Commissioner Garner questioned how many more employees might be needed to operate the courts and the District Attorney's request for 28 offices.

Mr. Ware stated that the hope is to design a building that can be easily added onto as needed in the future.

Commissioner Garner asked if the jail is included in these plans, and Mr. Ware advised that holding areas are included but not the jail. It was noted that additional staff would be required for holding areas and the jail.

Commissioner Maske asked what would become of the existing courtrooms. County Manager Haynes advised that courtroom space would be utilized for some of the existing offices - Sheriff's Office; Register of Deeds; Tax Office, etc.

Mr. Ware estimated that these plans are projected to take care of needs to the year 2021.

Commissioner Dillman inquired about seating capacity of courtrooms, and Mr. Ware advised that the courtrooms would seat approximately 220, which is comparable to Court Room A.

There was discussion of the City's need for a fire truck to service a 4-story building at an estimated cost of \$950,000.00, with the County participating in the cost.

Commissioner Watkins recommended opening dialogue with the City on the possibility of the street closing.

Commissioner Maske felt that the County would be in a better position to participate in the cost of a fire truck if the cost of a tunnel for the jail or an overhead crossover to cross Lee Street would not be incurred.

Mr. Cayado suggested the option of constructing a new jail behind the existing jail and eliminating the transport factor.

Mr. Haynes noted that the City has agreed to close Court Street.

There was further discussion of the added cost to connect the new building to the existing court house if Lee Street is not closed, and Mr. Cayado noted that the City has emphasized the need for access through the center of town with fire trucks.

Commissioner Watkins asked about the timetable for construction and the cost for a new jail. Mr. Ware estimated \$20,000,000.00 for a 250-bed jail.

Commissioner Ussery stated that the jail overcrowding problem is more serious than the courthouse space needs, and he acknowledged the need to move forward with plans for construction of a new jail.

Commissioner Maske expressed concern with the idea of tearing down any of the existing facilities.

County Manager Haynes noted that even the laundry and kitchen facilities for the jail are outdated, and the numbers might dictate the need to demolish existing facilities.

Commissioners Maske and Ussery expressed preference for a 4-story building and the closing of Lee Street.

Mr. Ware and Mr. Cayado acknowledged that a 4-story facility would be more efficient.

County Manager Haynes advised that the City's 3-story building limit is a local ordinance enforced by the Fire Marshal.

Commissioner Garner noted that the building height limitation in the City of Rockingham would impact the decision on determining a site for the new facility.

The Board concurred that open dialogue with the City is needed and that it would be advantageous to keep the courts in the downtown area.

Chairman Robinette suggested that County Manager Haynes, Glenn Ware, and he meet with City Manager Monty Crump, Mayor McLaurin, and Fire Chief Chuck Gardner to discuss the issue of the courthouse location, street closing, etc. in the best interest of all concerned.

Mr. Cayado noted that the building would be equipped with a sprinkler system to meet all codes and requirements and would likely be the safest building in the County.

Mr. Ware estimated that a 3-story building would cost an additional \$800,000.00 compared to a 4-story building due to a larger footprint, more corridors, etc.

County Manager Haynes added that a \$2,000,000.00 per year payback would result in a 17 cent increase on the tax rate.

ITEM NO. 5 – 10:00 A.M. – APPEARANCE BY I.T. DIRECTOR JIMMY QUICK FOR UPDATE ON COMPUTERIZATION UPGRADES AND CAPABILITIES OF THE COUNTY

County Manager Haynes called on I.T. Director Jimmy Quick to discuss technology plans for the County.

Mr. Quick stated that two budget years ago the County Manager budgeted funds for a Finance Department upgrade, and the County now has internet connectivity with Time Warner. Mr. Quick went on to describe improved wireless protection with a CISCO firewall.

Mr. Quick noted that antennas on county buildings support 19 servers; there are currently 154 works stations, and soon to be 224 after additional DSS equipment is installed.

County Manager Haynes responded to a question by Commissioner Ussery regarding GPS equipment in county vehicles, advising that GPS equipment is installed on county Water Department vehicles.

In further discussion, Mr. Quick advised that the county web site would be updated and Public Information Officer Crystal Cagle would work on content development.

In discussion of the feasibility of electronic payment of taxes, Mr. Quick stated that he was not sure that this would be cost effective for the county. It was noted that in other counties a small percentage of taxes are paid electronically and that this appears to be more of an extension of goodwill offered to taxpayers. Mr. Quick went on to state that offering lock box processing for vehicle taxes and water bills has been considered

Mr. Quick noted that the MUNIS Financials Program has been implemented in the Finance Department and will be later used in the Water Billing Department.

Commissioner Ussery confirmed that technology has prevented the need for increasing employment numbers in many departments.

Commissioner Watkins asked how employees are trained on computers, and Mr. Quick advised that most learn on the job.

Mr. Quick assured the Board that the County is making steps forward in technology updates, and the County Manager has been committed to funding technology advances in the budget.

ITEM NO. 6 – 10:15 A.M. – APPEARANCE BY DIRECTOR OF DEVELOPMENT RICK SAGO FOR ECONOMIC DEVELOPMENT DISCUSSION

County Manager Haynes called on Director of Development Rick Sago to report to the Board on recent Economic Development Activities. Mr. Haynes noted that in many instances clients demand complete confidentiality of their visits to the County, and Rick Sago has done an excellent job in respecting the clients' wishes.

Mr. Sago discussed the ethanol plant that recently announced its location in Cumberland County, and he expressed hope that Richmond County might entice a second ethanol plant to locate in Richmond County. In further discussion of ethanol plants, Mr. Sago advised that the ethanol prospect came through North Carolina Southeast and that a 100-acre site was needed with rail access; 400 BTU's of natural gas; 1.2 MGD of water; and 100,000 MGD wastewater discharge. Mr. Sago noted that this ended up being a \$150,000,000.00 project.

Mr. Sago advised that Richmond County has suitable sites to accommodate such a project, and he noted that a 30" gas line and 14 MGD water capacity is available in the area of the Progress Energy Plant and the Pee Dee Electric Plant.

Mr. Sago made the presentation that he makes to clients and highlighted the key points that he makes to emphasize the benefits and incentives that Richmond County has to offer: Richmond County is located just two hours from many urban areas, points of interest, and interstate highways; capability of producing quality maps in the GIS Department; availability of rail service; steam provided by Progress Energy Plant; 8 MGD water capacity; availability of sewer service from the City of Rockingham; workforce of 19,000 in Richmond County; availability of 500,000 workers within a 50-mile radius; lower tax rate than surrounding counties; 5-year tax grants; 85% property tax grant based on \$142,000,000.00 investment; free land to qualified projects; and installation of water and sewer lines to industry.

Mr. Sago also noted that the Economic Development web site is up to date, and he provided a time line on client contacts.

Mr. Sago discussed tier rankings assigned to counties by the State, and he noted that Cumberland County has now been ranked as a Tier One County to receive the same tax credits and incentives for job creation as Richmond County.

There was further discussion of the ethanol site, and Mr. Sago assured Commissioner Dillman that rail would be accessible on the site.

County Manager Haynes noted that Rick operates within the Board's parameters, thus making his turnaround time in responding to clients much faster. Mr. Haynes emphasized that the best decision that can be made is made based on the Board's policies and the incentives that can be offered based on the numbers for the project.

Commissioner Ussery inquired about the Google project that recently announced location in Caldwell County, and Mr. Haynes advised that a former Broyhill Furniture Building had been available and was the size needed by Google.

Commissioner Maske asked if another spec building is being considered, and Mr. Haynes advised that he and Rick are scheduled to meet and discuss the possibility of another spec building with the Pee Dee Electric Board at the end of February.

Commissioner Ussery asked if it would be more beneficial to consider a spec building in the County Industrial Park. Mr. Sago felt that the Rockingham Industrial Park might not develop any further if the building isn't located there. Mr. Sago further stated that the County Industrial Park makes a good place to show for larger buildings and Greenfield sites.

Commissioner Maske inquired about the Trane Building, and Mr. Sago advised that it is being used as a warehouse on a long-term lease with Cascade.

Commissioner Watkins emphasized the need to consider future sites for development, and County Manager Haynes stated that additional land for sites is available to the South of the County Industrial Park, and Z. V. Pate land is available.

Commissioner Watkins asked about existing vacant commercial property such as the former Wal Mart and Lowe's buildings. Mr. Sago advised that these buildings have long-term leases in place and that it would be cost prohibitive to buy out the leases.

ITEM NO. 7 – 11:15 A.M. – APPEARANCE BY DIRECTOR OF COMMUNITY SERVICES B. K. JONES TO DISCUSS WATER SYSTEM DEVELOPMENT; UTILITIES FOR NEW ECONOMIC DEVELOPMENT PROJECTS; AND RESIDENTIAL WATER LINE UPGRADES

Director of Development Rick Sago and Community Services Director B. K. Jones discussed the need for additional water for fire flow for the new Viking Pools Company and the expansion for Trinity Manufacturing.

Mr. Sago advised that the tank at Highland Park would be raised to the same height as the Hoffman tank, and work would be done at the booster station. Mr. Sago also advised that a new pump station and water line would be installed on Silver Grove Church Road, and a new tank would be constructed on Hwy. 220 along with a new 16" water line. Mr. Sago noted that a new 300,000 gallon water tank would be constructed on Hwy. 74 east of Hamlet to provide improved service east of Hamlet.

Mr. Sago advised that the total water improvements project would total \$2.7 million, and that with grant funds committed for the project, the County's remaining cost would be \$984,500.00.

Commissioner Watkins emphasized the benefit that the entire county would realize with these water distribution improvements, with just a 5-year payback.

ITEM NO. 8 – 12:00 NOON - RECESS FOR LUNCH ON SITE

Following lunch, discussion of the water improvements project resumed at 12:50 P.M.

Community Services Director B. K. Jones discussed the Gibson Road tank which will address pressure problems in the Southeast area of the County and will serve Ritz Craft, along with a new 16” waterline back to Hwy. 38.

Mr. Jones went on to discuss the work that has been performed with in-house crews, advising that the County has a new track hoe and county crews have been working on Hwy. 381 to install waterlines. Mr. Jones advised that the line has been installed almost to Mt. Moriah Church Road, and will then be installed on Old Gibson Road, Oak Ridge Church Road, McGuiert Road, Virginia Avenue, Grace Chapel Church Road, and then to the end of Airport Road. Mr. Jones reminded the Board that Hook-Up Grant funds are being used for the cost of the tap for many customers in the area of Sandhill Road.

Commissioner Dillman inquired about water to homeowners in the area of U.S. 1 South. Chairman Robinette advised Commissioner Dillman of the County’s Water Extension Policy based on a 10-year payback. County Manager Haynes explained the importance of compliance with the policy on payback since this is a stand-alone budget. Mr. Haynes went on to explain the formula, advising that in the area of U.S. 1 South and Old Cheraw Hwy. it would take \$4,000.00 per customer to make the payback policy work. Chairman Robinette stressed that the County applies for every grant possible and uses in-house crews to get water to those who want it and need it.

Mr. Sago explained that in accordance with the policy, Ronnie Watkins had paid his share of the cost of the waterline extended down U.S. 1 South to serve his chicken houses.

It was also noted that citizens on Old Cheraw Highway have been made aware of the feasibility of a pro-rated water bill of approximately \$75 per month to meet policy requirements.

There was discussion of the contract signed last fall with Municipal Engineering Services to expand the water treatment plant from 7 MGD to 11 MGD of potable water.

It was also noted that the County has applied through USDA for \$8,000,000.00 in grant funds, but a bond referendum had first been recommended. Mr. Jones advised that consideration by USDA is now being given to allow the use of Revenue Bonds.

ITEM NO. 9 – 1:45 P.M. – APPEARANCE BY PLANNING DIRECTOR JAMIE ARMSTRONG TO DISCUSS EAST ROCKINGHAM INITIATIVE AND PLANNING ISSUES

At 1:45 P.M. discussion resumed with Planning Director Jamie Armstrong and Code Enforcement Officer Shannon Brigman addressed the Board concerning Code Enforcement efforts in East Rockingham. Mr. Armstrong advised that Solid Waste Enforcement Officer Allen Hodges has also been involved in the East Rockingham Initiative. Mr. Armstrong reported that

135 junk vehicles have been removed by property owners and 23 zoning violations have been noted and corrected. In further discussion, Mr. Armstrong noted that 20 dilapidated homes have been removed, and another 12 homes have been identified and are in the process of being removed. In reference to the \$300,000.00 Cole Foundation Grant funds received for the East Rockingham Initiative, Mr. Armstrong advised that \$100,000.00 of the funds have been used in the process leading to removal of structures.

Mr. Brigman advised that 5 structures in the Cordova area have been identified as dilapidated and in need of removal.

Commissioner Ussery inquired about the Nuisance Ordinance, and Mr. Brigman advised that enforcement of the ordinance would be concentrated on addressing junk yards.

Commissioner Wilson inquired about the Gallimore case, and Mr. Armstrong advised that the civil process is underway, and we are in the process of pursuing legal action.

ITEM NO. 10 – 2:00 P.M. – APPEARANCE BY COUNTY MANAGER JIM HAYNES TO DISCUSS BUDGET; PUBLIC INFORMATION; GOALS; AND ANY OTHER ITEMS THAT THE BOARD MAY CHOOSE

County Manager Haynes addressed the Board concerning the 2007 Legislative Goals prioritized by the North Carolina Association of County Commissioners:

- 1) Medicaid Relief - current year is capped*
- 2) School Construction*
- 3) Revenue Options*

Mr. Haynes discussed options for borrowing money or selling bonds to finance construction of a new court house, and he advised the Board that the payment on \$20,000,000.00 of borrowed funds would be approximately \$2,000,000.00; the equivalent of a 16 or 17 cent increase on the tax rate.

In discussion of Medicaid expenses to the County, Mr. Haynes advised that \$2,040,000.00 had been budgeted last year for the County's share of Medicaid cost, but the total cost to the County totalled \$3,800,000.00. Mr. Haynes noted that in 1982 Richmond County's portion of Medicaid cost was \$334,223.00, and then huge increases in Medicaid cost were realized in by the early 1990's. The County Manager acknowledged that one of the biggest problems in seeking Medicaid relief is that not all counties can agree on a plan.

In further discussion, Mr. Haynes advised that a statewide bond referendum is being considered to fund school construction in North Carolina counties. Mr. Haynes reminded the Board that counties are required to provide capital needs, while the State provides for operating costs. To accumulate money for local school construction projects that are planned, the County has planned to sell bonds this spring. Mr. Haynes noted that Richmond County Schools currently have \$2.4 million accumulated in the sales tax account.

In further discussion of NCACC Legislative Goals, Mr. Haynes mentioned revenue options, such as land transfer taxes; tax and finance issues; manufactured home taxes; sales tax exemptions; central listing and assessing of cellular and cable companies; education and Current Expense Funding; Low Wealth Funding; utility costs for schools now a county expense; county Maintenance of Effort Requirements for counties to fund at the same level as previous year; and Register of Deeds Retirement Fund to receive a portion of recording fees.

The tax rate was discussed and the importance of keeping the tax rate as low as possible to attract new industry.

County Manager Haynes discussed projects to be considered in the coming year – jail/courthouse construction and the County's purchase of \$1,000,000.00 worth of property in the downtown are for courthouse/jail expansion. Mr. Haynes advised that this has been purchased with money from Fund Balance. In discussion of potential increases in the tax base, Mr. Haynes reminded the Board that Revaluation becomes effective January 2009, and the Pee Dee Electric power plant will come on the tax books in January 2008. Mr. Haynes estimated an increase in value of 10 to 12%. Mr. Haynes went on to explain how utilities are revalued during year 1, 5, and 7 as a result of a court ruling that utilities were unfairly valued during the 8-year Revaluation period.

Commissioner Dillman noted that some county debt payments will soon be paid to help offset some of the new expenses. Mr. Haynes advised that some of the debt that would be retired is in the Water and Sewer Enterprise Fund.

In further discussion of courthouse construction, County Manager Haynes advised that if construction begins next year, bonds could be sold at this time next year, with the first debt payment made in the next fiscal year.

Commissioner Maske asked about potential tax base growth from Revaluation and from the Pee Dee Electric Power Plant. County Manager Haynes estimated a potential of \$500,000,000.00 in growth for next budget year, which would generate approximately \$4,000,000.00 in additional revenue. However, Mr. Haynes mentioned that the State does not have funds available for any kind of Medicaid relief to counties.

Mr. Haynes advised that the 2009-2010 budget year would be when the County realizes a \$3,000,000.00 reduction in debt payments.

Commissioner Dillman noted that real estate taxes seem to be popular among many counties.

County Manager Haynes discussed the growth that has occurred in law enforcement and the grant funds that have been used to help pay for a portion of deputies' salaries. Mr. Haynes commended the efficiency of the Sheriff's Department and the Jail, noting that these departments make up a large portion of the total budget.

Commissioner Watkins inquired about grants that fund a portion of Sheriff's Department salaries for the first 3 years and then become a county expense. Mr. Haynes estimated that the salaries of 6 or 7 officers are currently funded through these grants.

Commissioner Ussery commented on growth in the Health Department, and he noted that in many of the state-required inspection fees charged by the Health Department, the County only retains a small portion of the fee, while the state receives the majority of the fee amount.

Commissioner Garner stated that cash flow is what makes things happen in the County.

County Manager Haynes asked that the Board consider whether to proceed with bond sales for courthouse construction, and he noted that an application for \$12,000,000.00 in grant funding has been submitted.

Chairman Robinette asked the Board's preference on a bond referendum for courthouse/jail construction and what options there might be if the bond referendum failed.

There was further discussion, and Commissioner Garner noted that Sheriff's Department personnel costs would increase significantly to accommodate new jail facilities.

Commissioner Ussery cautioned that this should not be a rushed decision.

Commissioner Watkins concurred but noted that the decision could not be delayed much longer, and he stated that he felt certain that the Board would be ordered to build a jail and courthouse if the decision is not soon made.

Commissioner Garner noted that initial discussion began with jail construction as the most immediate need, but now courthouse space has become the priority. Commissioner Garner went on to acknowledge the need for better working conditions in the courthouse.

Chairman Robinette emphasized that the Board must have a plan on how to pay for the courthouse and jail construction.

County Manager Haynes informed the Board of work that Mr. Glenn White has had done to clean up Mizpah Cemetery at his own expense.

Commissioner Watkins commented on the need for equality for all people, and he expressed the opinion that government should be a reflection of the people who make up the population, with more equitable representation in elected offices and in employment.

In closing remarks, Chairman Robinette stated that county government employment has not grown in many departments, and that many county employees are performing dual roles. Chairman Robinette stressed the need to allow staff to do their jobs without micro-management, and he encouraged that board members go through the proper channels by allowing staff to address citizen concerns and problems. Chairman Robinette commended Richmond County's Economic Development Programs as the best in the State.

Commissioner Dillman inquired about the Civic Index, and Chairman Robinette suggested that one of the Board's mid-month noon meetings might be a good time to discuss this.

County Manager Haynes requested that the Board schedule a brief Special Meeting one day the next week to consider financing proposals for installment financing of the water improvements project, pending Local Government Commission approval.

By consensus, the Board agreed to schedule and advertise a Special Meeting at 11:30 A.M. on Monday, January 22, 2007.

ITEM NO. 11 – 3:00 P.M. - ADJOURNMENT

There being no further business for discussion, the meeting adjourned at 3:20 P.M. by a motion of Commissioner Dillman, seconded by Commissioner Watkins, and unanimously carried.

*Marian S. Savage, CMC
Clerk to the Board of Commissioners*