

**RICHMOND COUNTY BOARD OF COMMISSIONERS
RICHMOND COUNTY ADMINISTRATIVE OFFICE BUILDING
REGULAR MID-MONTH MEETING
TUESDAY, JUNE 19, 2007, 12:00 NOON**

The Richmond County Board of Commissioners met for the Regular Mid-Month Meeting on Tuesday, June 19, 2007 at 12:00 Noon with the following present: Chairman Kenneth R. Robinette; Vice-Chairman John B. Garner; Commissioners Pamela N. Dillman, Jimmy L. Maske, Thad Ussery, and J. C. Watkins.

Commissioner Paul Wilson, Jr. was not present.

The meeting was called to order by Chairman Robinette at 12:00 Noon.

ITEM NO. 1 – INVOCATION

The invocation was delivered by Commissioner Thad Ussery.

ITEM NO. 2 – APPROVAL OF AGENDA

By a motion of Commissioner Garner, seconded by Commissioner Maske and unanimously carried, the Board approved the Agenda as presented.

ITEM NO. 3 – REPORT BY DIRECTOR OF DEVELOPMENT RICK SAGO

Director of Development Rick Sago provided the Board with a recap of the year's activities. Mr. Sago noted that the second expansion during the last 14 months has been announced by Owens Illinois, and he thanked the Board for their support that made this possible. Mr. Sago referenced the 5 industry announcements that have been made since last July that resulted in the creation of 288 new jobs and represented \$92,000,000.00 in investment in Richmond County. Mr. Sago went on to advise that the value of the new jobs is approximately \$230,000.00 per year in additional taxes paid, etc., and the new taxes paid by the industries totals \$762,000.00. Mr. Sago emphasized that the County has a lot to be proud of in these announcements.

In discussion of plans to construct a new shell building, Mr. Sago advised that the Rockingham City Council voted to transfer land for a new shell building to Richmond Economic Development Corporation last week, and Pee Dee Electric has authorized a \$500,000.00 interest-free loan toward this project.

Commissioner Ussery inquired about the site for the new shell building, and Mr. Sago advised that the building is to be constructed on the last site on the left across from the Sara Lee Building at Rockingham Industrial Park-West.

Commissioner Maske asked the size of the building, and Mr. Sago advised that the building would either be 40,000 or 50,000 sq. ft., yet to be determined. Mr. Sago noted that this will be the County's fourth shell building, and the other three buildings have been 40,000 sq. ft.

Commissioner Maske asked the status of Viking Pools, and Mr. Sago advised that they are building pools. Mr. Sago added that Trinity Manufacturing hopes to be in production within the next couple of months. County Manager Haynes noted that Trinity will be big water user.

Commissioner Ussery inquired about the jobs that would be created by the Touchstone Energy Plant, and Mr. Sago advised that the number of jobs created would not be significant, but the additional tax base in next year's values will be huge - \$150,000,000.00.

Commissioner Dillman asked about Fibrowatt Industries, and Mr. Sago advised that he had talked with Representative Melanie Goodwin earlier in the day, and the Legislature is still moving forward on legislation that would require power companies to seek alternative energy sources.

Commissioner Garner asked the number of employees at APG-Meridian, and Mr. Sago advised that APG now has 35 employees.

Commissioner Garner stressed the importance of job creation and the resulting added tax base and dollars spent in the community, and he stated that the Board's efforts should always be focused on job creation.

Mr. Sago agreed on the importance of job creation, and he advised that there are other existing industries considering expansion.

Commissioner Maske asked about the vacant Sara Lee Building, and Mr. Sago advised that the building has been leased. Mr. Sago added that Von Drelle has recently purchased the Laurel Hill Paper Company Building.

Commissioner Maske asked about the former Beaunit Building, and Mr. Sago advised that the building has been unoccupied for five or six years, that only some portions of the building are usable, but it is being marketed.

Commissioner Watkins confirmed that Owens Illinois has been purchased, and Mr. Sago advised that the new owner has supported the Owens expansion, and that Gatorade is a big customer of Owens.

Commissioner Watkins inquired about the net loss or gain of jobs in the County, and Mr. Sago advised that the recent closing of the Sara Lee Plant had resulted in a net loss of approximately 80 jobs after retirements and placement of employees in other jobs were factored.

Commissioner Dillman inquired about the company that purchased Owens Illinois, and County Manager Haynes advised that it was purchased by Rexham of the United Kingdom.

ITEM NO. 4 – CONSIDERATION OF REQUEST BY EAST ROCKINGHAM FIRE DEPARTMENT, INC. TO PURCHASE NEW FIRE TRUCK IN 2007-2008 BUDGET

County Manager Haynes reminded the Board that approval had been granted in the current fiscal year for East Rockingham Fire Department to purchase a truck, but the purchase has not yet been made, so the request is for authorization to purchase in the coming fiscal year.

A motion was offered by Commissioner Maske, seconded by Commissioner Dillman and unanimously carried to authorize the fire truck purchase for East Rockingham.

ITEM NO. 5 – CONSIDERATION OF BID AWARD FOR BORINGS ON WATER LINE PROJECT

Director of Community Services B. K. Jones presented the following recap of five bids opened on June 15 for borings under two railroad crossings, one creek crossing, and two highway crossings along Highway 381 and Ghio Road as part of the Southeast Waterline Project:

<u>BIDDER</u>	<u>BORE #1</u>	<u>BORE #2</u>	<u>BORE #3</u>	<u>BORE #4</u>	<u>BORE #5</u>	<u>TOTAL BID</u>
Bill's Backhoe Service Hamlet, NC	\$21,725.0	\$10,614.00	\$ 9,590.00	\$32,225.00	\$28,000.00	\$102,154.00
Blackmon & Assoc. Benson, NC	\$45,400.00	\$25,930.00	\$30,650.00	\$82,175.00	\$59,100.00	\$243,255.00
Carolina Grading & Utilities- Warrensville, NC	NO BID	NO BID	NO BID	NO BID	NO BID	NO BID
Sanders Utility Const. Co. Charlotte, NC	\$50,491.32	\$39,367.22	\$38,693.62	\$59,090.55	\$53,000.00	\$240,642.71

Mr. Jones noted that EPA grant funds will pay 51% of the work, and he recommended award of the contract to Bill's Backhoe as low bidder.

A motion was offered by Commissioner Ussery to award the bid to Bill's Backhoe at a low bid of \$102,154.00. Commissioner Ussery commended the quality of Bill's work. The motion was seconded by Commissioner Watkins and unanimously carried.

Mr. Jones mentioned that the County's GIS website is now complete and accessible, and training classes will be offered to the public on June 27 in the Commission Chambers at 10:00 A.M. and 2:00 P.M.

ITEM NO. 6 – CONSIDERATION OF RESOLUTION AS DECLARATION OF OFFICIAL INTENT TO REIMBURSE FOR EXPENDITURES TO COMPLETE RICHMOND COMMUNITY COLLEGE ROOFING IMPROVEMENTS PROJECT

County Manager Haynes advised that expenses could be incurred before financing is obtained for the RCC roofing projects, and adoption of a Resolution of Intent to Reimburse would allow the County to reimburse itself from loan proceeds.

By a motion of Commissioner Watkins, seconded by Commissioner Garner and unanimously carried, the Board approved the following Resolution to Reimburse:

A) – CONSIDERATION OF BUDGET AMENDMENT TO APPROPRIATE FUNDS FOR ARCHITECTURAL FEES AND OTHER REIMBURSABLE EXPENSES RELATED TO RCC ROOFING AND IMPROVEMENTS PROJECT

County Manager Haynes advised that a Budget Amendment is necessary to appropriate funds for Architectural fees of approximately \$120,000.00 to be incurred for the RCC roofing improvements project.

A motion was offered by Commissioner Garner and seconded by Commissioner Maske to approve the following Budget Amendment for appropriation of funds for architectural fees related to the RCC roofing project. Commissioner Ussery questioned the State's requirement of an architectural seal on plans, and County Manager Haynes advised that this is being handled in Raleigh. The motion to approve the following Budget Amendment carried unanimously:

ITEM NO.7- CONSIDERATION OF REBIMBURSEMENT RESOLUTION FOR THE RICHMOND COUNTY JUDICIAL CENTER PROJECT

County Manager Haynes requested that the Board consider adoption of a Reimbursement Resolution in anticipation of borrowing approximately \$20,000,000.00 for construction of a judicial center so as to provide a means of reimbursement of expenditures incurred from the financing proceeds.

By a motion of Commissioner Ussery, seconded by Commissioner Watkins and unanimously carried, the Board approved the following Reimbursement Resolution for the Richmond County Judicial Center Project:

ITEM NO. 8 – CONSIDERATION OF APPOINTMENTS TO RICHMOND COUNTY JUVENILE CRIME PREVENTION COUNCIL

By a motion of Commissioner Watkins, seconded by Commissioner Dillman and unanimously carried, the Board approved the following appointments and reappointments with terms as indicated to the Juvenile Crime Prevention Council:

Glenn Alexander – 2007-2008

John Haywood – 2007-2009

James Clemmons – 2007-2008

Jimmy Craig – 2007-2008

Robbie Hall – 2007-2008

Crystal Cagle – 2007-2009

Commissioner Paul Wilson – 2007-2008

Jonathan Hipps – 2007-2009

Joshua Smith – 2007-2008

Richard Burgin – 2007-2008

Brian David – 2007-2008

Lynne Martin – 2007-2009

Martha Williams – 2007-2008

James Gandy – 2007-2009

D’Andra Morman – 2007-2009

T. R. Davis – 2007-2009

Paulette Moore – 2007-2008

Judy Cagle – 2007-2009

Sorado McKenzie – 2007-2009

Evonne Moore – 2007-2008

Curtis Ingram – 2007-2008

Lawana Covington – 2006-2008- Confirmed

Ronald Tillman – 2006-2008 - Confirmed

ITEM NO. 9 - CONSIDERATION OF CAPITAL OUTLAY-SCHOOL FACILITIES PLAN BUDGET AMENDMENT

County Manager Haynes requested Board approval of a Budget Amendment to increase Capital Outlay-School Facilities by \$40,000.00 to appropriate additional restricted sales tax proceeds designated for schools.

By a motion of Commissioner Dillman, seconded by Commissioner Maske and unanimously carried, the Board approved the following Budget Amendment:

ITEM NO. 10 - CONSIDERATION OF WATER DEPARTMENT BUDGET AMENDMENT

County Manager Haynes requested Board approval of a budget amendment in the Water Budget as a normal procedure for close-out of the fiscal year, with funds to come from Fund Balance in the Water Budget.

A motion was offered by Commissioner Ussery, seconded by Commissioner Garner and unanimously carried to approve the following Budget Amendment:

ITEM NO. 11 – CONSIDERATION OF FIRE DISTRICT BUDGET AMENDMENTS

County Manager Haynes requested Board approval of Budget Amendments to allow for distribution of prior year funds in the Hamlet, Rockingham, and Ellerbe Fire Districts.

A motion was offered by Commissioner Garner, seconded by Commissioner Ussery and unanimously carried to approve the following Budget Amendments for fire districts:

ITEM NO. 12 – CONSIDERATION OF SOCIAL SERVICES BUDGET REVISION FOR CHILD DAY CARE FUNDING

County Manager Haynes requested Board approval of a year-end budget amendment for Social Services necessary to revise the original budget estimates in Child Day Care Funding to the actual allocation of funds.

A motion was offered by Commissioner Maske to approve the attached Budget Revision for DSS Child Day Care funding. The motion was seconded by Commissioner Dillman. Commissioner Watkins asked why additional funds would be allocated at this point in the budget year. Commissioner Maske advised that some funds come through Smart Start, and these funds are received on a quarterly basis.

ITEM NO. 13 – CONSIDERATION OF BUDGET AMENDMENTS IN VARIOUS DEPARTMENTS AS NECESSARY TO CLOSE OUT FISCAL YEAR ENDING JUNE 30, 2007

County Manager Haynes requested Board approval of a list of Budget Amendments prepared by the Finance Officer to transfer funds as necessary to balance various departmental budgets for close-out of the fiscal year ending June 30, 2007.

A motion was offered by Commissioner Ussery and seconded by Commissioner Watkins to approve the list of Budget Amendments. Commissioner Garner asked how often the Governor's Highway Safety Program grants become available, and County Manager Haynes advised that they are three-year grants. The motion to approve the following Budget Amendments carried unanimously:

ITEM NO. 14 – DISCUSSION OF PROPOSED FY 2007-2008 BUDGET

County Manager Haynes offered to provide as much detail of any portion of the budget as the Board requested. Mr. Haynes reminded the Board that the major factors contributing to the tax increase recommended in the proposed budget are Medicaid and judicial center construction.

In discussion of Medicaid, Mr. Haynes felt that the Legislature may be closer to reaching a decision to set a cap on Medicaid.

Commissioner Maske advised that he was in Raleigh a week ago, and the feeling seems to be that a 2005-2006 budget level cap on Medicaid would be established. There was further discussion of the different bills that have been introduced by Senator Rand involving the Article 44 sales tax, and a bill introduced by Senator Clodfelter which larger counties seem to favor.

County Manager Haynes discussed another bill under consideration by the Legislature that would require counties to assume data processing expense and telephone system expense of the courts. Mr. Haynes advised that court facility fees generate approximately \$150,000.00 per year in Richmond County.

Mr. Haynes advised that \$1.6 million has been set aside in the proposed budget for a debt payment on the judicial center, and he noted that demolition costs would likely be incurred in the Fall.

Mr. Haynes stated that the \$1,000,000.00 increase in Medicaid and the \$1.6 million for judicial center construction are the two major driving forces in the budget that account for the recommended .10 tax increase.

Commissioner Dillman asked if the payment on the judicial center could be delayed into the next budget year. County Manager Haynes advised that part of the payment may be in the next budget year. Commissioners Maske and Ussery stated that the demolition cost would be incurred in the Fall and would require payment at that time.

Commissioner Maske confirmed that \$2.9 million of Fund Balance was appropriated last year, and County Manager Haynes advised that any savings realized in departmental budgets would be utilized before Fund Balance is used this year.

Commissioner Ussery stressed that the only hope of reducing the proposed tax increase is dependant upon the action of the Legislature.

County Manager Haynes agreed and stated that the only other option is to consider adoption of an interim budget.

Commissioner Maske reiterated that 4 cent of the proposed .10 cent tax increase is attributed to Medicaid and the other .06 cent is for judicial center construction.

In discussion of the request for funding of Senior Games, Commissioner Ussery suggested a lump sum donation to help fund the games. Commissioner Garner stated that the games had become a burden for Hamlet Senior Center Director Susan Sellers, and he added that the organization should seek 501-C-3 status to receive funding.

County Manager Haynes offered the possibility of making the Senior Games donation through Richmond County Aging Services Department, but he did not recommend assigning responsibility for the games to any of the staff in this department.

Commissioner Watkins cautioned that it might be premature to allocate funds for Senior Games until it is determined who will actually oversee the program.

Chairman Robinette felt that the Board should consider an increased contribution to Senior Games, and Commissioner Garner stated that this is money well spent.

Commissioner Ussery recommended a Senior Games donation of \$10,000.00 to \$15,000.00 and that the group be encouraged to seek assistance from the City of Rockingham to share in the cost.

Commissioner Garner agreed that the County should not underwrite the entire program.

A motion was offered by Commissioner Ussery, seconded by Commissioner Dillman and unanimously carried to set aside \$12,500.00 through the Contributions-Other Agencies line item toward funding of Senior Games. County Manager Haynes acknowledged that this would change the total of Non-Departmental Contributions to \$68,000.00 but would not require an adjustment in the overall budget to account for this amount.

There was further discussion of other non-departmental agencies, and Commissioner Dillman asked about anticipated revenue from hangars at the airport. County Manager Haynes estimated \$200.00 to \$250.00 per month per hangar with five or six hangars.

In discussion of revenue items, County Manager Haynes pointed out that the County has less money on deposit to draw interest than in the prior year such that the decreased interest amounts to \$210,000.00 less – the equivalent of nearly a penny on the tax rate.

Commissioner Maske mentioned the four-year Revaluation cycle and the fact that this schedule has less impact on the public. There was further discussion of land values and the importance of educating the public on the services provided through taxes.

County Manager Haynes emphasized the fact that the Board of Commissioners only has control of approximately .10 cent of the total budget, while the State mandates the major portion of the budget.

Commissioner Ussery pointed out that increased land values help to control the tax rate.

Commissioner Watkins cautioned that jail needs will become the next expensive project facing the Board.

Chairman Robinette reminded the Board that \$1,000,000.00 had been set aside in the County's budget toward jail and courthouse expansion, but due to a shortfall in the State budget just a few years ago, the State had withheld funds from all of the counties to make up for the State deficit and never restored those funds..

Commissioner Dillman concurred that there are problems that need to be worked out, and she stated that the County might have to "bite the bullet" and do something but that the citizens

should not be excessively taxed. Commissioner Dillman suggested that there might be areas of the budget that could be cut other than services.

Chairman Robinette stated that there is no budget solution unless Medicaid is resolved at the State level.

Commissioner Dillman stated that she could not support the .10 cent tax increase.

Commissioner Garner suggested that the judge might allow for an extension of time on the plans for the judicial center.

Commissioner Dillman stressed that she did not want to cut school funding but felt that something should be cut.

Commissioner Ussery emphasized that the schools have never been over-funded during his tenure on the Board.

Commissioner Dillman asked County Manager Haynes if he had considered cuts in the budget, and Mr. Haynes replied that he had already made many decisions to reduce the budget requests that were made by the agencies and departments included in the proposed budget. Mr. Haynes went on to state that people and services are the only options left to consider for budget cuts.

Commissioner Ussery added that the Board has little control over most of the budget, and he cited the Health Department Budget as an example of mandated funding.

Commissioner Dillman requested that the County Manager take another look at the budget for potential cuts.

Commissioner Garner stated that the budget is based on use.

In further discussion of potential budget cuts, Commissioner Dillman stated that she was in favor of the 2.4% cost of living increase recommended for employees.

County Manager Haynes advised that the architect's latest estimate on judicial center construction is up to \$24,000,000.00.

It was noted that the appeal on the valuation of the racetrack could result in the loss of revenue.

Commissioner Dillman questioned the use of garnishment of wages as a means to collect delinquent taxes, and County Manager Haynes confirmed that the Tax Collector's Office is aggressively utilizing all measures in accordance with the law to collect back taxes. Mr. Haynes also advised that payment plans are made available to taxpayers who make such arrangements to meet their tax obligations within their budget.

County Manager Haynes noted that through the hard work of the Tax Collector's Office, the current collection rate has now exceeded last year's collection rate.

**ITEM NO. 15 – ADJOURNMENT UNTIL BUDGET WORK SESSION OF JUNE 28, 2007
AT 6:30 P.M.**

By a motion of Commissioner Maske, seconded by Commissioner Ussery and unanimously carried, the Board adjourned the meeting at 1:35 P.M. until Thursday, June 28, 2007 at 6:30 P.M. for continued discussion and adoption of the proposed FY 2007-2008 Budget.

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