

**RICHMOND COUNTY BOARD OF COMMISSIONERS
RICHMOND COUNTY ADMINISTRATIVE OFFICE BUILDING
REGULAR MID-MONTH MEETING
TUESDAY, AUGUST 21, 2007, 12:00 NOON**

The Richmond County Board of Commissioners met for the Regular Mid-Month Noon Meeting on Tuesday, August 21, 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, J. C. Watkins, and Paul Wilson, Jr.

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

ITEM NO. 1 – INVOCATION

The invocation was delivered by Commissioner Jimmy L. Maske.

ITEM NO. 2 – APPROVAL OF AGENDA

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

ITEM NO. 3 – MID-MONTH ECONOMIC DEVELOPMENT UPDATE BY DIRECTOR OF DEVELOPMENT RICK SAGO

Director of Development Rick Sago discussed the shell building project, advising of a CDBG loan at an interest rate of 2%. Mr. Sago advised that consultant Municipal Engineering Services Company is working on grading bids for this project, which will be opened today.

Mr. Sago reported that client activity continues to be strong and that a client referred by the Department of Commerce will visit later in the day.

Mr. Sago advised that he had spoken to the Rockingham Rotary Club the day before and had the opportunity to answer many questions and update the group on the most recent industry announcements.

Mr. Sago was glad to report that Herb Smith of RCC had previously announced his retirement but has now decided to work for another year.

Mr. Sago was pleased to advise the Board that the Department of Commerce continues to refer prospects to Richmond County, and he had met with Commerce officials just last week.

Commissioner Dillman inquired about an industrial prospect for a water-based business, and Mr. Sago advised that he has made contact with this client.

Commissioner Maske confirmed that Touchstone Energy has committed \$400,000.00 to \$500,000.00 toward the next shell building project, and Mr. Sago added that this will be treated as a no interest loan to the County with no payments due during the first few years. Mr. Sago emphasized that not every county enjoys such strong support from local industry, and Commissioner Maske stressed the value of a shell building in attracting prospective industry to

Richmond County. Mr. Sago further noted that the City of Rockingham donated the land for the shell building, and this will be Richmond County's fourth such project. In working with prospective clients, Mr. Sago advised that the shell building site can now be shown before the building is completed. In discussion of the shell building size, Mr. Sago advised that pricing will be obtained for a 40,000 and a 50,000 sq. ft. building.

Commissioner Watkins asked the exact location for the next shell building, and Mr. Sago advised that plans are to construct the building across the street from the Sara Lee Building at Rockingham Industrial Park-West.

Commissioner Ussery mentioned that construction costs continue to increase, and Mr. Sago advised that the hope is to construct the building under a cost of \$800,000.00.

Commissioner Wilson suggested that a letter of appreciation be written to Pee Dee Electric once the loan has been granted.

Commissioner Dillman mentioned the projected influx of some 40,000 people into the area as a result of BRAC and asked if any preparation has been made for this anticipated influx. Mr. Sago advised that we don't know exactly where those 40,000 people will locate, but he hoped that Richmond County would realize some of the associated businesses with this influx. Mr. Sago assured the Board that this project will be closely followed to determine the effects on Richmond County. Mr. Sago advised that Cumberland and Hoke Counties and the Pinehurst area will definitely be impacted with residential growth. Mr. Sago added that the federal government will need to address the needs for schools and housing associated with the influx to the region. Mr. Sago stated that the hope is for an ideal mix of development, and all counties will be seeking assistance to meet infrastructure needs.

County Manager Haynes advised that statistics have projected that Richmond County would realize population growth of approximately 1,000 over the next 10 years. Commissioner Dillman cited affordable housing as a problem in Richmond County. Mr. Sago noted that since the projected growth is over a period of 10 years, this will allow time to prepare.

Commissioner Ussery referred to the booming residential growth in Moore and Union Counties and how this places a burden on government to meet the demand for services.

Commissioner Garner noted that the conflict in the Middle East will be a determining factor in whether the influx continues. Mr. Sago agreed that this is a fluid situation that will be closely monitored.

Commissioner Watkins commended Mr. Sago for his informative presentation to the Rockingham Rotary Club on Monday and on how well he represented Richmond County.

ITEM NO. 4 – REQUEST FOR BOARD APPROVAL TO RENEW FIRE PROTECTION CONTRACT BETWEEN RICHMOND COUNTY AND TOWN OF ELLERBE

County Manager Haynes presented the Fire Protection Contract with the Town of Ellerbe for the Board's consideration and approval. Mr. Haynes reminded the Board that the contract with Ellerbe is different from most of the other fire contracts in that it is based on a fee district as established in 1996 as the means of generating revenue for the service district. Mr. Haynes

added that there are occasional complaints that a fee may be higher than a tax would be, but the fire fee structure provides a break for industries. Mr. Haynes requested Board approval of the fire contract with the Town of Ellerbe for a five-year term.

By a motion of Commissioner Maske, seconded by Commissioner Dillman and unanimously carried, the Board approved the fire protection contract with Ellerbe.

ITEM NO. 5 – REQUEST BY ROCKINGHAM FIRE DEPARTMENT AND FIRE CHIEFS ASSOCIATION FOR BOARD AUTHORIZATION TO BURN COUNTY-OWNED BUILDINGS IN DOWNTOWN ROCKINGHAM FOR JUDICIAL CENTER COMPLEX AND PARKING

County Manager Haynes advised that Rockingham Fire Department and the fire chiefs have requested authorization to burn county-owned property in the downtown area as a training exercise for all emergency services agencies - Sheriff's Department; Rockingham Police Department; and Rockingham Fire Department. Mr. Haynes remarked that this kind of commercial building is rarely available for this type of training, and there is a great deal of interest in the training opportunity. Mr. Haynes asked that the Board approve the Downtown Disaster Training Project Plan as provided as a training module. Mr. Haynes advised that all emergency services agencies involved will provide their own training and insurance and will insure that surrounding buildings are protected with no liability for the County.

Commissioner Maske confirmed that the Shepard Auto Parts Building and the S&S Wheel Alignment Building would be the properties to be burned as a part of the process toward site preparation to construct a new judicial center. Commissioner Maske also confirmed that this will keep the County on schedule with Judge Beale's timeline for the judicial center project. Commissioner Ussery confirmed that the removal of these buildings will take place before construction bids go out.

A motion was offered by Commissioner Garner, seconded by Commissioner Ussery and unanimously carried to approve the Downtown Disaster Training Project Plan addressing the burning of county-owned property in the Downtown Rockingham area as described in the plan.

ITEM NO. 6 – REQUEST FOR BOARD AUTHORIZATION TO FORMALLY REQUEST THAT GOVERNOR EASLEY INCLUDE RICHMOND COUNTY AS ONE OF THE DISASTER AREA COUNTIES IN NORTH CAROLINA DUE TO EXTREME DROUGHT CONDITIONS

Chairman Robinette recognized Farm Service Agency Director Jamie Lambeth to provide an update on the drought conditions in Richmond County.

Mr. Lambeth advised that the last time that Richmond County was considered in a normal range was May 1, and the County is now designated in a D-2 Class – Severe Drought. Mr. Lambeth advised that soybeans, hay, cotton, corn and tobacco are extremely devastated. Mr. Lambeth also noted that livestock, poultry, and swine are all in dire need of rain. Mr. Lambeth advised that chicken houses use an average of 2,000 gallons of water per day. A listing of the estimated percentage of loss attributed to the drought was provided for each crop.

Mr. Lambeth advised that he has submitted a STORM report to the Raleigh office to document the severity of drought conditions in Richmond County. Mr. Lambeth noted that the western portion of North Carolina was first declared a disaster area, and his report would substantiate the need for Richmond County to be included in the designated disaster area. Mr. Lambeth noted that the Governor would receive a report and then determine the disaster declaration. Mr. Lambeth advised that once this declaration is made, this would only provide for low interest loans. Two benefits were explained by Mr. Lambeth that would become available once the drought declaration is made - providing assistance for hauling water and for drilling new wells. Mr. Lambeth noted that regrettably, sometimes the assistance comes too late and that getting approved is easy, but actually obtaining the funding is the difficult part. In further discussion, Mr. Lambeth advised that on May 25 the President signed a disaster bill, and one of the programs made available is a Crop Disaster Program which covers crops from years 2005, 2006, and 2007. However, Mr. Lambeth stated that this program only covers crops prior to February 28, 2007 due to the freeze during that time. Mr. Lambeth hoped that the bill might be amended to include crops for the entire 2007 crop year.

Commissioner Wilson advised that his irrigation pond is dry as a result of the extreme drought, and Mr. Lambeth stated that only crops that have been irrigated are surviving. Mr. Lambeth added that estimates are that only 7 to 10 days remain in most local irrigation ponds. Mr. Lambeth advised that tobacco is at a stage that is approximately halfway through harvest, and these farmers are already losing money.

Commissioner Garner asked if these conditions will bring about controlled environmental farming, and Mr. Lambeth agreed that it will likely lead to this.

Commissioner Ussery asked if any "free money" is available to farmers through the federal government. Mr. Lambeth advised that there are no such funds available, just emergency loans at low interest rates based on disaster designation. Mr. Lambeth advised that he would make application for the Emergency Conservation Program, which would provide approximately 75% of the producer's cost.

A motion was offered by Commissioner Wilson, seconded by Commissioner Garner and unanimously carried to make a formal request to the Office of the Governor to include Richmond County in the Disaster Area declaration.

ITEM NO. 7 – OTHER BUSINESS

A) CONSIDERATION OF CERTIFICATE OF APPROVAL FOR MOUNTAIN CREEK FIRE DEPARTMENT, INC. TO PURCHASE KME PUMPER TRUCK WITH FINANCING THROUGH FIRST BANKERS CORPORATION

County Manager Haynes advised the Board that the County Attorney has confirmed that the Certificate of Approval for Mt. Creek Fire Department to purchase a new pumper truck simply acknowledges the loan that Mt. Creek has obtained to purchase the truck. Mr. Haynes requested Board authorization for the Chairman to execute the Certificate of Approval for Mt. Creek.

A motion was offered by Commissioner Maske, seconded by Commissioner Watkins and unanimously carried to authorize the Chairman to execute the Certificate of Approval for the

Mountain Creek Fire Department to secure financing through First Bankers Corporation to purchase a new truck.

Commissioner Wilson confirmed that Mt. Creek will receive a \$20,000.00 grant through the Department of Insurance.

B) RECOGNITION OF MISS JENNIFER LAYTON FOR SUMMER INTERNSHIP WORK WITH RICHMOND COUNTY

Chairman Robinette recognized Miss Jennifer Layton by presenting a Certificate of Achievement for her summer internship work with Richmond County. County Manager Haynes advised that Jennifer's mother is a teacher and she had asked to work with the County during the summer to learn more about the various departments of county government. Jennifer stated that she learned a lot this summer and that she now has a greater respect for county government and the work that is done.

C) MISCELLANEOUS

Chairman Robinette congratulated Commissioner Jimmy Maske for his recent appointment to the NCACC Board of Directors.

Commissioner Dillman provided handout materials from Habitat for Humanity and advised that two new homes are under construction in Richmond County. Commissioner Dillman complimented the success of Habitat for Humanity and stressed that the organization would like for Richmond County to become more involved.

County Manager Haynes advised the Board that he visited the Local Government Commission last week to begin work on obtaining loans for construction of the courthouse. The LGC acknowledged that the Board of Commissioners' willingness to raise taxes to pay loans has indicated the County's ability and willingness to pursue the project.

In discussion of Medicaid at the NCACC Conference, Mr. Haynes advised that at least \$500,000.00 should be guaranteed in hold harmless money but only if counties had budgeted the full amount that the State had recommended for Medicaid each year. Richmond County did not budget the full amounts recommended by the State, so the County will not be eligible for the \$500,000.00 windfall amounts that some counties will receive by having budgeted the recommended amount each year by the State. The Medicaid legislation is what counties wanted and will mean alot to Richmond County in the years to come. Mr. Haynes added that most counties did not budget the total amount that the State had recommended.

Commissioner Garner asked how the State arrives at projecting Medicaid numbers for counties, and County Manager Haynes advised that NCACC indicated that they base these projections on inflation, etc., and they do a blanket projection for counties that is usually a high number. Mr. Haynes added that generally, counties can do a better job at projecting their own numbers than the State.

Commissioner Watkins mentioned the sales tax and Land Transfer Tax options that the Legislature has made available to counties to help replace some of the money that will be lost by

returning funds to the schools and to the municipalities, and he asked what the best time to offer these options on a ballot to the voters might be.

Chairman Robinette suggested that the County Manager come back to the Board with plans on when to consider the tax options. Mr. Haynes stressed that it will be a Board decision on when to include these tax options on a ballot and when and how to best educate the public. Mr. Haynes noted that it would be advantageous to see Revaluation numbers and how this will impact the tax rate.

Commissioner Ussery mentioned that some of the sessions during the recent NCACC Conference had addressed the tax options available to counties, and he cautioned that the Board should be very diligent in educating the public before asking for voter approval of any new tax. Commissioner Ussery further stated that only one of the tax options can be implemented and only with voter approval. Commissioner Ussery went on to say that timing is critical and that if the sales tax is approved, it cannot be implemented until after a quarter has passed. County Manager Haynes stated that it is easy to see what the numbers are today, but the real work is involved in projecting where the sales tax might go and determining which tax would likely grow faster in Richmond County. Commissioner Ussery noted that the Point of Sale Tax would be more beneficial to some areas, and October would be the earliest that a sales tax could be implemented. In further discussion of the sales tax issue, Commissioner Maske noted that after October 1, 25% of one of the counties' sales taxes will revert to the State, and in return, 25% of Medicaid will be assumed by the State from October to June. It was also noted that there will be a 3-year phase-in before counties realize the full benefit of Medicaid relief.

Commissioner Ussery commented on debris on Airport Road and the risk of a fire there. Commissioner Ussery suggested that something be done to assist the property owner to avoid the risk of a fire.

There being no further business for discussion, a motion was offered by Commissioner Garner, seconded by Commissioner Ussery and unanimously carried to adjourn the meeting at 1:00 P.M.

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