

CLEVELAND COUNTY BOARD OF COMMISSIONERS

May 12, 2008

The Cleveland County Board of Commissioners reconvened their recessed session of May 6, 2008 on this date, at the hour of 5:00 p.m., in the County Managers Conference Room in the Cleveland County Administrative Offices for the purpose of a Commission Work Session.

PRESENT: Jo Boggs, Chairwoman
Eddie Holbrook, Vice-Chairman
Mary S. Accor, Commissioner
Ronald J. Hawkins, Commissioner (arrived at 5:05)
Johnny Hutchins, Commissioner (via conference call until recess)
(Commissioner Hutchins did not vote on any motions made)
David C. Dear, County Manager
Robert Yelton, County Attorney
Kerri Melton, County Clerk
April Crotts, Deputy Clerk
Eddie Bailes, Assistant County Manager
Bill McCarter, Planning Director
Denese Stallings, Health Director
Chris Crepps, Finance Director
Marti Glaser, Cleveland Headline News
David Allen, The Star
Other individual names on file in the Clerk's Office

CALL TO ORDER

Chairwoman Jo Boggs called the meeting to order.

GDS FRANCHISE FEE

Denese Stallings, Health Director informed Commissioners that she has received a request from GDS for a fuel increase. Ms. Stalling explained the increase as a "fuel surcharge" due to the rising cost of diesel fuel to over \$4.00 per gallon. GDS has not asked for an increase since they were awarded the franchise. This request has been brought before the Cleveland County Board of Health and received unanimous approval.

Commissioner Hawkins recommended developing a plan where, as fuel prices increase, GDS rates automatically increase. He suggested a plan similar to the one approved for county employee mileage rates (see minutes of August 7, 2007). Ms. Stallings informed Commissioners that she and Sam Lockridge have been working on a formula that will work for everyone.

ACTION: Mary Accor made the motion, seconded by Ronnie Hawkins, and unanimously adopted by the Board, to ***approve the rate increase as proposed by Ms. Stallings (copy found on Page _____ of Minute Book 30.)***

ATTORNEY UPDATE ON ZONING ISSUES

At their March 18, 2008 meeting, Commissioners heard from neighbors of the Cleveland County Speedway and Motor Sports Complex (formerly known as Thunder Valley Speedway) regarding noise and traffic issues. Commissioners directed County Manager, David Dear, to meet with the concerned citizens to discuss the problem and possible solutions.

Following the meeting, Mr. Dear asked County Attorney Bob Yelton to research whether or not Cleveland County could bring a suit on behalf of the citizens of Lawndale for the noise and sound pollution produced by the Complex. Attorney Andrea Leslie Fite, of Yelton, Farfour, McCartney, Lutz and Craig, presented the research completed (*copy found on page _____ of Minute Book 30.*) In short, Attorney Fite said that the answer is no. "Cleveland County may not bring suit on behalf of the citizens of Lawndale for the noise and sound pollution produced by the park; however, the citizens of Lawndale may bring a suit in their individual capacities." Ms. Fite explained the difference between a public nuisance and a private nuisance, stating this situation would be considered a private nuisance. A public nuisance is an act or condition that disrupts public order, including acts like prostitution, gambling or illegal possession or sale of narcotics and can only be brought by the state. A private nuisance on the other hand, is defined as any substantial invasion of an individual's interest in the private use and enjoyment of his land by any type of liable conduct. Attorney Bob Yelton explained that if citizens felt strongly enough about their case, they can bring a suit against the racetrack and suggested that the County Manager share the memorandum presented by Ms. Fite with those interested citizens.

NUMBER 7 VOLUNTEER FIRE DEPARTMENT

County Manager David Dear explained that he received a letter from Number Seven Volunteer Fire Department. As part of their by-laws, the Fire Department is required to submit their budget for approval to the Board of Commissioners. In the letter to Commissioners, Number Seven Volunteer Fire Department requested an increase in their fire tax rate from \$.02 to \$.03. This increase is due in part to the property value loss at PPG. Factoring in the \$.01 tax rate increase, the overall budget will be \$2,500 less than the 2007/2008 budget. County Manager David Dear added that Number Seven Volunteer Fire Department is the only fire department with a \$.02 tax rate. Mr. Dear informed Commissioners that a community meeting was held in the district to discuss the increase the tax rate with citizens.

ACTION: Ronnie Hawkins made the motion, seconded by Eddie Holbrook, and unanimously adopted by the Board, to ***approve the Number Seven Volunteer Fire Department budget including a fire district tax increase from \$.02 to \$.03*** (*copy found on Page _____ of Minute Book 30.*)

2008/2009 BUDGET DISCUSSION

David Dear, County Manager, began by presenting each Commissioner with budget workpapers containing primary fund expenditures per department. During last years NC Legislative Session, counties were given permanent Medicaid Relief. Permanent Medicaid Relief will be completed over a three-year period. This year, the state will take over the burden of approximately \$3,682,610 in Medicaid Funds. Mr. Dear presented a flip chart displaying where the Medicaid funds will be spent this

budget year (*see Medicaid Savings chart below*). In exchange for Medicaid Relief, the state will take away ½ cent sales tax over a three-year period. The loss of sales revenue for the 2008/2009 budget year will amount to approximately \$1,050,000.

Medicaid Savings

\$3,682,610	Reduced Medicaid Payments
- 1,181,000	Capital Projects – Jail, Early College HS, Gateway Trail, Courthouse Renovation
- 1,050,000	Loss of Sales Tax Revenue
- 666,000	Debt Service – 800 MHz Communication
- 390,416	Foster Care – Increased Payments
- 275,000	EMS Base – South Cleveland
- <u>132,000</u>	Early College HS (temp)
(12,562)	

Commissioner Hawkins stressed the importance of keeping sales tax dollars in Cleveland County. Commissioner Hutchins, who serves on the 20/20 Economic Development Board noted that 20/20 is working with a consultant to help them recruit more retail businesses.

Commissioner Accor explained that Medicaid Relief, although it does not seem like “relief” is recognized in what the future burden of Medicaid may have been.

This year was a revaluation year for Cleveland County. Mr. Dear estimated an additional \$1,704,789 in additional revenue to Cleveland County. He then presented a flip chart detailing FY 2008/2009 Budget Estimates including additional expenditures (*see FY 2008-2009 Budget Estimates below.*)

\$1,704,789	Estimated New Revenue
- 705,000	3% COLA & Fringe Benefits
- 500,000	Schools Current Expense (loss of schools sales tax revenue)
- 180,000	Health Insurance Increase
- 150,000	Cleveland Comm. College
- <u>88,000</u>	Motor Fuels
81,789	Net Available For All Other Expenditures

In a presentation given by Dr. Steve Thornburg last year, Commissioners were made aware of the fact that Cleveland Community College ranked 58th out of 58 community colleges in per student contribution. Mr. Dear explained that the increase in the funding for the Community College is to try and increase the ranking.

Mr. Dear also explained that the estimated new revenue numbers were based on a tax rate of \$0.57 per \$100. The 2007/2008 tax rate was \$0.58. Mr. Dear recommended that Commissioners approve a decrease in the county tax rate of \$0.01.

COMMISSIONERS RECESSED FOR DINNER AT 6:30 P.M. AND RECONVENED AT 7:00 P.M.

NORTHWOODS TOTAL SOLUTION

Cleveland County Department of Social Services has had a space issue and a paper problem for a number of years. County Manager David Dear explained that DSS, in conjunction with the Cleveland County Purchasing Department, advertised for bids through the formal bid process for a Laserfiche system. It was recommended that the bid be awarded to Northwoods Total Solution in the amount of \$616,211. Mr. Dear explained that \$116,224 will be reimbursed from the State of North Carolina requiring the county to provide \$499,987 in funding. Should this project be approved, funds will be taken from the County General Fund. The total project would include the purchase of software, computers and scanners, installation and training. The purpose is to give the Department of Social Services the ability to produce a digital image of all records. Becoming “paperless” would free up office space. The implementation of this system would also provide for sharing of files to different units throughout Social Services. Mr. Dear stated that, “This would be a huge help with productivity.” Mr. Dear also explained they will start with any future files and then work backwards to scan the active files, then the inactive files. The paper files will be boxed up and moved to a storage facility. The Department of Social Services has included in their budget request, two clerical positions to help implement this program.

ACTION: Ronnie Hawkins made the motion, seconded by Mary Accor, and unanimously adopted by the Board, to ***approve the funding of the Northwoods Total Solutions Project (copy of breakdown found on Page _____ of Minute Book 30.)***

In thinking about the lack of space at the Department of Social Services, Commissioner Hawkins suggested completing a facilities plan for all county facilities (including school facilities) to see which buildings are available. He explained that a list of every building, available space and future plans would be very helpful.

CLEVELAND COUNTY JAIL

County Manager David Dear gave Commissioners an update on the Jail Expansion Project. He explained that the architect is finishing the preliminary sketch and floor plans for review. The preliminary plan includes two medium security pods, which will house 58 inmates in each pod, and a minimum security dormitory unit which will house 40 inmates. Mr. Dear has been working with Dr.

Bruce Boyles, Cleveland County Schools Superintendent, regarding the use of the parking lot at the old Hunter School to house all of the vehicles currently stored at the jail annex. He will also be working with Dr. Boyles on negotiating a price for the purchase of the Hunter School.

SOUTHERN POWER

County Manager David Dear and County Attorney Bob Yelton met with the City of Kings Mountain to finish documents regarding the water purchase for Southern Power from the City of Kings Mountain.

Currently, there are two options for water depending on the size of the unit that Southern Power will be constructing.

1. Potable Waterline- the closest waterline is located at the Welcome Center on I85. The construction of this line would cost approximately \$450,000 plus engineering fees. This line will be installed by the County as part of the incentive agreement.

2. Raw Waterline- this waterline will be completed should Southern Power construct the \$500 million cycle unit. The raw waterline would run from Moss Lake to Southern Power and would cost approximately \$10 Million. It was suggested that Cleveland County borrow the funds to complete this project with Southern Power paying the county back (with interest) over a 20-year period.

Southern Power would like to move forward with the engineering design of the potable waterline and a feasibility study for the raw waterline. These documents are estimated to cost approximately \$85,000. Cleveland County has applied for a \$60,000 Rural Center Grant to help fund this project. The remaining funds will be provided by the Cleveland County General Fund.

ACTION: Ronnie Hawkins made the motion, seconded by Mary Accor, and unanimously adopted by the Board, to *approve the funding of the engineering design of the potable waterline and the feasibility study of a raw waterline to serve Southern Power.*

DUKE ENERGY ROAD CLOSING REQUEST (MCCRAW ROAD)

Mr. Dear informed Commissioners that a meeting was scheduled for Thursday, May 14th with Duke Energy, DOT engineers and Rutherford and Cleveland County Managers to clarify questions posed during the May 6th Cleveland County Commission meeting.

Duke Energy will hold a public meeting with the citizens in the community surrounding the new Cliffside Plant. Residents within two to three miles will be invited to attend. Commissioner Hawkins suggesting seeing how the public meetings are received by the citizens and then determining whether Cleveland and Rutherford Counties should hold a joint meeting to vote on the road closing.

COUNTY MANAGER EMPLOYMENT CONTRACT

ACTION: Ronnie Hawkins made the motion, seconded by Eddie Holbrook, and unanimously adopted by the Board, to ***approve the revised Employment Contract for County Manager David Dear to include annual payout of unused vacation days (copy of contract found on Page _____ of Minute Book 30.)***

AMERICAN LEGION WORLD SERIES FUNDING

Commissioner Hawkins proposed authorizing additional funding for the renovations to the Shelby High School Baseball Stadium in anticipation of the American Legion World Series. Commissioner Holbrook explained that upon completion of the renovations, this stadium will be a \$3.5-\$4 million facility. He also explained that two large donors have backed out of the project due to slow economic times. County Manager Dear explained that he would not recommend this increase if it was a recurring cost, however, he explained that the county could afford to increase the one-time donation. The American Legion World Series are expected to provide between \$5-\$5.5 million economic impact on Cleveland County.

ACTION: Ronnie Hawkins made the motion, seconded by Mary Accor, and unanimously adopted by the Board, to ***approve an additional \$100,000 in funding toward the renovations of the Shelby High School baseball field. (Clerk Note: Commissioner Holbrook abstained from voting due to his involvement with the American Legion World Series.)***

2008/2009 BUDGET ADVERTISEMENTS

The past two years, Commissioners have run full-page color advertisements in the Shelby Star, Shelby Shopper and the Kings Mountain Herald detailing the proposed budget for the next fiscal year. The cost for these advertisements is approximately \$3,000.

ACTION: It was the consensus of the Commissioners to ***send the budget information to all property owners on the back of county tax bills to save the expense of advertising.***

ADJOURN

There being no further business to come before the Board at this time, Ronnie Hawkins made the motion, seconded by Mary Accor, and unanimously adopted by the Board, ***to adjourn the meeting (at 8:00 p.m.)***. The next regular meeting of the Commission is scheduled for ***Tuesday, May 20, 2008 at 6:00 p.m.*** in the City of Kings Mountain Council Chamber.

*Rebecca Jo Powell Boggs, Chairwoman
Cleveland County Board of Commissioners*

*Kerri Melton, County Clerk
Cleveland County Board of Commissioners*