

Cleveland County Board of Commissioners
January 3, 2017

The Cleveland County Board of Commissioners met in Regular Session on Tuesday, January 3rd, 2017, at 6:00 p.m. in the Commission Chamber of the Cleveland County Administrative Office.

PRESENT: Eddie Holbrook, Chairman
Susan Allen, Vice-Chair
Johnny Hutchins, Commissioner
Jason Falls, Commissioner
Tim Moore, NC House of Representatives, County Attorney
Kelly Hastings, NC House of Representatives
Warren Daniels, NC Senator
Justin Brackett, NC District Court Judge
Betsy Harnage, Register of Deeds
Mike Miller, District Attorney
Scott Neisler, Mayor, City of Kings Mountain
Keith Miller, Kings Mountain City Council
Dennis Bailey, Shelby City Council
Max Hopper, Mayor, Town of Earl
Jeff Richardson, County Manager
Andrea Leslie-Fite, Assistant County Attorney
Henry Earle, Clerk to the Board
Kerri Melton, Community Services Director
Brian Epley, Finance Director
Chris Green, Tax Administrator
Allison Mauney, Human Resources Director

CALL TO ORDER

Chairman Eddie Holbrook called the meeting to order and Commissioner Jason Falls led the audience in the Pledge of Allegiance and provided the invocation for the meeting.

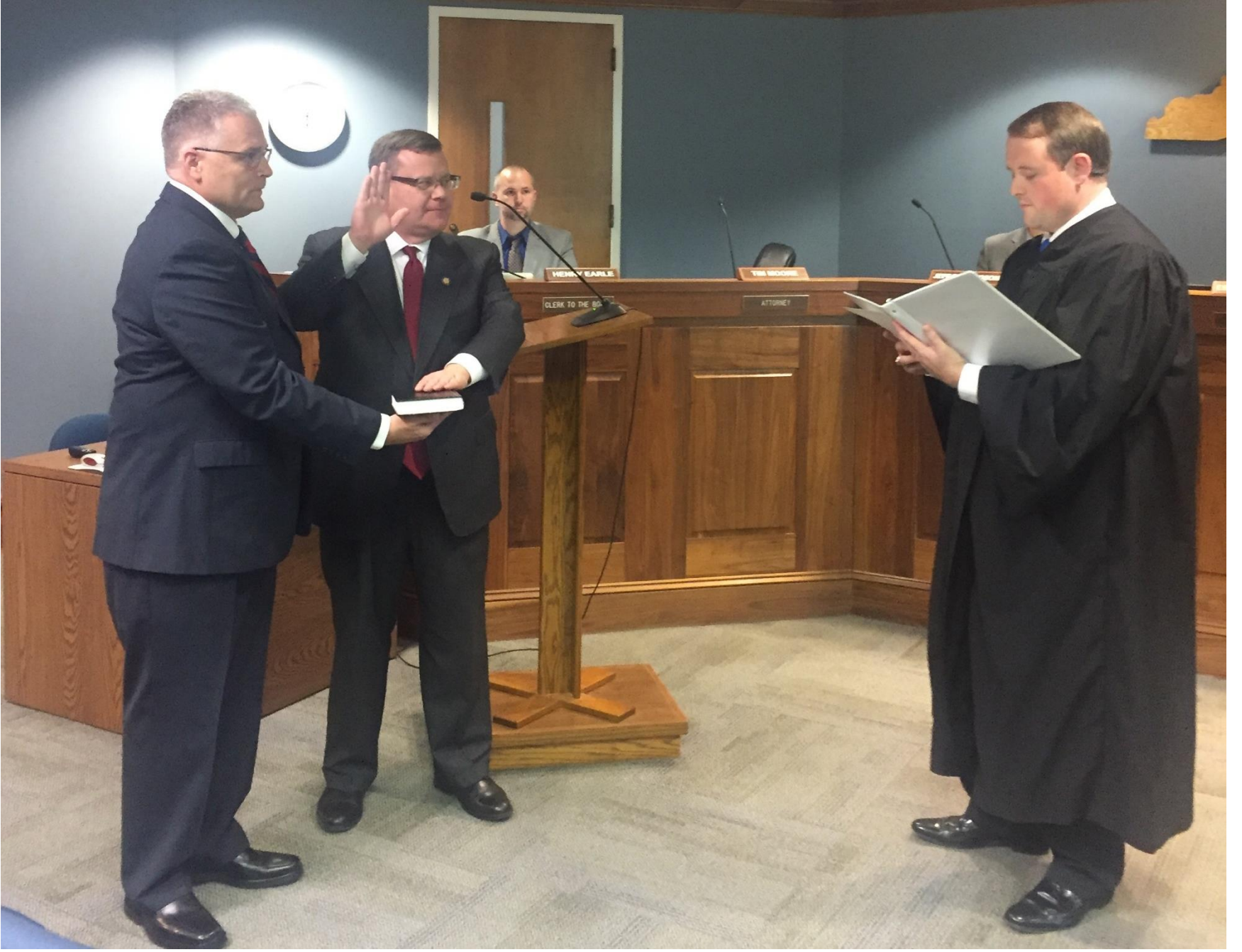
AGENDA ADOPTION

ACTION: Commissioner Hutchins moved to adopt the agenda as presented by the Clerk. The motion was seconded by Commissioner Falls and unanimously approved by the Board.

SPECIAL RECOGNITION

SWEARING IN OF STATE REPRESENTATIVE TIM MOORE AND SENATOR WARREN DANIEL

DANIEL: Chairman Holbrook introduced newly appointed District Court Judge Justin Brackett, who came forward to administer the oaths. Representative Tim Moore came forward and recited the Oath of Office while Representative Kelly Hastings held the Bible for him. After the Oath was administered Representative Moore thanked the citizens of the County and for their leaders for being able to work together, regardless of Party, to ensure Cleveland County's success. Judge Brackett then swore in Senator Warren Daniel, as his family held the Bible. Senator Daniel also thanked the citizens of Cleveland County for putting their trust in him and was ready to work for them.



RECOGNITION OF PAST CHAIRMAN JASON FALLS: Chairman Holbrook stated that he had big shoes to fill as the new Chair of the Board because the previous Chairman, Commissioner Jason Falls, had done a tremendous job over the last three years as Board Chair. Chairman Holbrook presented Commissioner Falls with a plaque that held the gavel used by Commissioner Falls when he was the Chairman.



CITIZEN RECOGNITION

- Robert Williams: 814 East Stagecoach Trail, Fallston: Mr. Williams started by thanking Rep. Moore and Senator Daniel for their work on NC House Bill 2 but he said that Rep. Moore’s assertion that Cleveland County is quiet means that he is not doing his job. Mr. Williams asked the Commissioners two questions. The first is “was the school board made aware of the public hearing tonight?” and the second was “was the Board aware of the poor management and conditions of the North Shelby School project?” Mr. Williams then stated that he was proud of the Commissioners for their hiring of Johnston Controls for the Energy Audit as it was a reasonable thing to do because they are a leader in the field and will save the County money on upgrades within 15 years.

CONSENT AGENDA

MINUTES: There being no corrections, additions or deletions, the minutes of the December 13th, 2016 Regular Meeting were presented.

ACTION: Commissioner Allen moved to adopt the Minutes as presented. It was seconded by Commissioner Hutchins and unanimously adopted by the Board.

PUBLIC HEALTH CENTER: BNA #020

<u>Account Number</u>	<u>Department/Account Name</u>	<u>Increase</u>	<u>Decrease</u>
012.538.4.800.00	Miscellaneous Revenue	\$300.00	
012.538.5.500.00	Miscellaneous Expense	\$300.00	

Explanation of Revisions: Budget funds received for precepting students to go toward miscellaneous operating expenses in Maternal Health.

ACTION: Commissioner Allen moved to approve the budget amendment. It was seconded by Commissioner Hutchins and unanimously approved by the Board.

PUBLIC HEALTH CENTER: BNA #021

<u>Account Number</u>	<u>Department/Account Name</u>	<u>Increase</u>	<u>Decrease</u>
012.541.4.350.00	State Gov't. Grants	\$5,900.00	
012.541.5.121.00	Salary-Regular	\$2,950.00	
012.541.5.210.00	Departmental Supplies	\$2,950.00	

Explanation of Revisions: Budget DHHS Summer Food Service funds for supplies and longevity pay.

ACTION: Commissioner Allen moved to approve the budget amendment. It was seconded by Commissioner Hutchins and unanimously approved by the Board.

EMERGENCY MEDICAL SERVICES: BNA #022

<u>Account Number</u>	<u>Department/Account Name</u>	<u>Increase</u>	<u>Decrease</u>
010.437.4.310.00	Federal Govt Grants	\$54,000.00	
010.437.5.700.00	Grants	\$54,000.00	

Explanation of Revisions: Budget NC DPS grant funds to purchase 3 NIMS Type 3 Mass Care Support Trailers to be distributed to Cabarrus, Catawba and Rowan Counties.

ACTION: Commissioner Allen moved to approve the budget amendment. It was seconded by Commissioner Hutchins and unanimously approved by the Board.

PUBLIC HEARING

PUBLIC DEBT ISSUANCE-NORTH SHELBY SCHOOL AND COUNTY ECONOMIC

DEVELOPMENT AND INFRASTRUCTURE (PUBLIC HEALTH CENTER): Chairman Holbrook

called County Manager Jeff Richardson to the podium. Mr. Richardson stated that he was coming to the Board to ask permission to issue debt for three different items all bundled together as one debt issuance. The three items were: \$11.5 million for Economic Development Infrastructure in a partnership with the City of Shelby, \$8.5 million for space needs analysis and IT upgrades, and \$13.5 million per North Carolina General Statutes that require the County to act in a pre-audit function for the school system for the Cleveland County School System's North Shelby School Project.

The Wasburn Switch Economic Development Project Site has been an ongoing partnership with the City of Shelby to create a move in ready heavy industrial site to attract industry. In January 2015 Commissioner Holbrook challenged the Board to be more aggressive with local economic development funding and on March 3rd, 2015, the Commissioners acted on a resolution allowing reimbursement bonds and to be able to

use the Public Health Center as collateral for those bonds. Since that time environmental testing has occurred and in 2016 the site was given a CSX site certification. Mr. Richardson noted that several projects have been interested in the site but none have come to fruition and it makes sense to invest in the site so that when a project comes the site will be ready.

Mr. Richardson then spoke about the County's aging IT infrastructure. He stated that the Auditor's presentation would also touch on this but that the Information Technology infrastructure is severely outdated and needs to be upgraded to meet the demands of the modern world. Also, this upgrade works in tandem with the space needs analysis that the Commissioners approved at the 12/13/16 meeting. The County has been working with the School Superintendent's Office and have achieved Local Government Commission approval status for the North Shelby Project. There is money, per the Article 42 Sales Tax, that is earmarked for school construction and these are the projects that Mr. Richardson stated that he is coming to them for tonight. Mr. Richardson stated that the reason to consolidate the debt is that it consolidates closing costs and secures a more favorable lending rate due to timing and size of the loan.

Mr. Richardson asked Dr. Stephen Fisher, Cleveland County School Superintendent, to the podium. Dr. Fisher introduced School Board members Cheryl Miller and Danny Blanton and thanked Commissioners for their continued work and support of the Cleveland County School System. Dr. Fisher stated that bids for the project went out for bids on December 20th and if approved by Commissioners this evening then the bids will go before the School Board on February 13th. Dr. Fisher stated that the renovation of the North Shelby School was on the strategic plan as a high priority in 2008 and in 2013 the relocation of the school was listed as the number one need.

Commissioner Allen asked Mr. Richardson what was important about the timing. Mr. Richardson said that by doing the reimbursement resolution in March 2015 it gave the Board the ability to execute on the full 20 million from the Public Health Center and to use a portion of that money to make the Washburn Switch site competitive. Commissioner Hutchins stated that he knew they would save money by bundling but how much? Mr. Richardson stated that the savings of bundling the three projects will save approximately \$1 million by securing a favorable rate and one set of closing costs. Commissioner Falls stated that it was his understanding that the School Board had not yet approved the North Shelby Project so why was it coming before the Board. Mr. Richardson stated that the County has oversight function and partnership with the School Board and the vote this evening would be to approve the School system to go through the LGC process and then to vote locally to approve or deny doing this project. Chairman Holbrook stated that transparency was a goal of the Board and that the superintendent was told to notify his Board and to answer the question from citizen recognition that yes, in fact, the School Board had been notified of the Public

Hearing. Commissioner Hutchins asked Mr. Richardson if the Board had any authority or responsibility for actually doing the project. Mr. Richardson stated that the County Board acted as an oversight and pre-audit function but would not have anything to do with school placement or design. Commissioner Hutchins asked Dr. Fisher if the Crest and Burns Auditorium projects were coming up soon or if they could be bundled with the North Shelby Project. Dr. Fisher stated that those were important projects but would not be grouped with the North Shelby Project.

The public hearing opened at 7:03 p.m.

- Robert Williams: Mr. Williams stated that he wished he had the opportunity to ask questions like the Commissioners did. Mr. Williams shared that he had over 40 years of experience in engineering and that nothing like what was happening for this project would be acceptable in the private sector. Mr. Williams stated that he could save the County over \$2 million on dirt alone. He stated that site remediation must happen on the James Love School site and that he had offered his engineering services for free to but that he has gotten nowhere with the School System. Mr. Williams added that if Commissioners were not worried about cost then they should raise the amount to \$50 million and go ahead and add the two auditoriums to the package but if cost was a concern then please don't approve the project and move ahead with the artificial timeline that has been given.
- Steve Padgett: Mr. Padgett stated that, although small businesses were his specialty, he knew that they benefitted greatly from large industries coming into the county. Mr. Padgett also stated that to make money you have to spend money and he believed the County was being proactive in spending the money to attract industry to the area. He urged Commissioners to approve the resolution.
- Bill Watson: Mr. Watson was speaking on behalf of the Chamber of Commerce. He stated that a healthy and vibrant economy is needed to keep the area growing and it is critical to take aggressive steps because these steps can bring new money to the county. He asked Commissioners to vote for the resolution.
- Robert Queen: Mr. Queen stated that he is for the mechanics of the package but was not in agreement with the fact finding of the resolution that stated the known costs of the North Shelby Project. Mr. Queen stated that the costs for the school will more than likely be in excess of the \$13.5 million that is allotted to them in the resolution. Mr. Queen stated that he sent the School Board his analysis and he estimated that grading costs alone will be over \$1 million dollars on the site. Mr. Queen also stated that he has issue with the size needs of the school since the student population has gone from 160 to 80.

- Martha Ledford: Ms. Ledford stated that she was the Director of Exceptional Children for the Shelby City School System just before consolidation began. Ms. Ledford stated that the students who need this school need a myriad of different services, professionals and specialized equipment. Inclusion is required and beneficial as well. It is long since due the time to get a new facility for these children because they deserve it. Ms. Ledford urged Commissioners to vote for the project.
- Bill Williams: Mr. Williams stated that he had lived in Cleveland County for over 50 years and is all for progress but some red flags have been thrown this evening, of which the Commissioners should take note. Mr. Williams advised the Board of Commissioners to take their time on this matter and not to rush into any decision.
- Danny Blanton: Mr. Blanton is a School Board member and stated that he is all for the kids of North Shelby. Mr. Blanton stated that only one site was looked at and that at least half of the School Board members were not told of this public hearing. Mr. Blanton said he does not know if this is the best choice for North Shelby and he urged Commissioners to take a long look before voting.
- The public hearing was closed at 7:35 p.m.

Commissioner Hutchins stated again that Commissioners were acting tonight in a fiduciary manner and all the Board was doing was giving the School permission to move forward with the LGC and to start working on the project. Chairman Holbrook stated that, based on what he heard, the School Board needs to get together and mend fences so that work can be done. Commissioner Falls asked Dr. Fisher if he could elaborate on the 160 students to 80 students question. Dr. Fisher stated that he had no way of knowing how many students would be at North Shelby because it was not up to the School Board or the Superintendent or but the IEP team so the number can fluctuate.

ACTION: Commissioner Falls moved to approve the resolution. It was seconded by Commissioner Allen and unanimously approved by the Board.

REGULAR AGENDA

FISCAL YEAR 2015/2016 AUDIT: Chairman Holbrook called Finance Director Brian Epley to the podium. Mr. Epley gave Commissioner a summary of fiscal activity over the past few years, highlighting the continuing rise in tax collection rate, at 98.23% for 2016, and the Economic Development that has occurred. Mr. Epley stated that there has been a rise in expenditures for the County, which is primarily attributed to a relative 11% salary increase for employees and incentive agreements beginning to materialize as industries meet their set upon benchmarks. Mr. Epley reported that the fund balance has moved from 14.3% to 18.2% since 2014 which surpassed the 8 County peer group average.

Mr. Epley introduced Marva Spivey from Martin Starnes and Associates. Ms. Spivey stated that Cleveland County was given an unmodified opinion, which means that there were a few issues. Ms. Spivey stated that the issues were primarily in the integration of NC Fast at the Department of Social Services with the County's current IT structure. The antiquated nature of the County's IT system created a redundancy in certain parts of NC Fast, opening the door for human error.

Chairman Holbrook commended the work of the Finance Department and that he was glad that the County was already taking steps to rectify the situation with the inclusion of IT updates in the resolution approved earlier in the evening.

ACTION: Commissioner Allen moved to approve the Auditor's Report. It was seconded by Commissioner Hutchins and unanimously approved by the Board.

ACCEPTANCE OF LETTER TO FILL BOARD VACANCY LEFT BY DEATH OF

COMMISSIONER RONALD HAWKINS: Chairman Holbrook stated that North Carolina law requires that if there is a vacancy on the Board of the Commissioners that the political party of the Board member who is no longer serving on the Board shall pick a replacement. The Cleveland County Republican Party has selected Ronnie Whetstine to replace Commissioner Ronald Hawkins, who passed away on December 8th, 2016.

ACTION: Commissioner Hutchins moved to accept the letter naming Ronnie Whetstine to fill the vacancy on the Board of Commissioners. It was seconded by Commissioner Falls and unanimously approved by the Board.

ACTION: Commissioner Falls moved to approve the Investment Grade Audit. It was seconded by Vice-Chair Allen and approved by the Board 3-1, with Commissioner Hutchins voting no.

COMMISSIONER REPORTS

- Commissioner Hutchins: Commissioner Hutchins said it has been a busy few weeks with the MPO and that he was excited and hopeful about the bypass projects. He stated that Councilman Dennis Bailey was very instrumental in getting those done for Cleveland County.
- Vice-Chair Allen: Vice-Chair Allen wished everyone a Happy New Year.

ADJOURN

Chairman Holbrook entertained a motion to adjourn. The motion was made by Commissioner Hutchins, seconded by Commissioner Allen and unanimously approved by the Board. The next regularly scheduled meeting of the Cleveland County Board of Commissioners will be Tuesday, January 17th, 2017, at 6:00 p.m. in the Commissioner's Chamber for an Organizational Meeting.