

Cleveland County Board of Commissioners
June 19, 2018

The Cleveland County Board of Commissioners met in a regular session on this date, at the hour of 6:00 p.m. in the Commission Chamber of the Cleveland County Administrative Offices.

PRESENT: Eddie Holbrook, Chairman
Susan Allen, Vice-Chair
Johnny Hutchins, Commissioner
Ronnie Whetstine, Commissioner
Doug Bridges, Commissioner
Brian Epley, County Manager
Tim Moore, County Attorney
Phyllis Nowlen, Clerk to the Board
Kerri Melton, Assistant County Manager
Allison Mauney, Human Resources Director
Shane Fox, Chief Financial Officer
Chris Green, Tax Administrator
Perry Davis, Emergency Management Director/Fire Marshall
Clifton Philbeck, Board of Elections Director
Betsy Harnage, Register of Deeds

CALL TO ORDER

Chairman Holbrook called the meeting to order and Commissioner Whetstine provided the invocation. Boy Scout Troop 104 led the audience in the Pledge of Allegiance.

Chairman Holbrook recognized Terri Seen, a volunteer with Boy Scout Troop 104 located at the United Methodist Church. The scouts are visiting the Commissioner's Meeting to earn their Community Merit Badge.

AGENDA ADOPTION

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Whetstine and unanimously approved by the Board to, *approve the agenda.*

SPECIAL PRESENTATION

Local Government Federal Credit Union: Chairman Holbrook recognized Ashton Turnage, Development Officer at the Local Government Federal Credit Union. Ms. Turnage thanked the Board for their continued support and reviewed several grants and scholarships available to local governments to assist with programs in the community.

CITIZEN RECOGNITION

Duston Barto, Co-Director of the Foothills Inter-Faith Assembly – stated they have 68 members who are composed of various faiths/religions from Cleveland County and the surrounding area. Mr. Barto advised there are two issues he wanted to bring to the Board's attention. The first is the Christian flag displayed on several sheriff deputies patrol vehicles which ties into the second issue of the Cleveland County Christian Law Enforcement Association. Mr. Barto voiced his concerns with the association being fully integrated and funded by local law enforcement. If it is, there are ramifications that could result of that

affiliation. He thanked the Board for the opportunity to speak and their professionalism used to conduct business.

Tony Brown, Co-Director of the Foothills Inter-Faith Assembly – also spoke of his concerns regarding the Cleveland County Christian Law Enforcement Association (CCCLEA). He stated, in 2015 the CCCLEA helped make an inclusive policy to allow only Christian prayer at school board meetings. In 2017, the Sheriff’s Office placed a barn quilt featuring prominent Christian symbols for public display in the court house. Although that quilt has since been removed, it is currently the profile picture for the CCCLEA. Mr. Brown also voiced his concerns regarding the possible entanglement of the CCCLEA and the Sheriff’s Office. He asked the Board, under N.C.G.S 153A-104, to request a report from the Sheriff regarding the CCCLEA, its legal identity and the connection within the Sheriff’s Office.

CONSENT AGENDA

APPROVAL OF MINUTES

The Clerk to the Board included the Minutes of the *May 29, 2018 special called joint meeting with the City of Shelby*, in Board Members packets.

ACTION: Commissioner Allen made a motion, seconded by Commissioner Bridges, and passed unanimously by the Board to, *approve the minutes as written.*

TAX COLLECTOR’S MONTHLY REPORT

The Tax Collector provided Commissioners with the following detailed written report regarding taxes collected during *May 2018*.

TOTAL TAXES COLLECTED MAY 2018			
YEAR	AMOUNT-REAL	AMOUNT-VEH	
DEF REV	\$0.00	\$0.00	
2017	\$300,694.09	\$0.00	\$300,694.09
2016	\$27,907.59	\$0.00	\$27,907.59
2015	\$15,468.92	\$0.00	\$15,468.92
2014	\$9,591.91	\$0.00	\$9,591.91
2013	\$2,712.81	\$1,247.27	\$3,960.08
2012	\$3,102.82	\$1,389.67	\$4,492.49
2011	\$1,267.72	\$1,216.92	\$2,484.64
2010	\$1,182.43	\$552.41	\$1,734.84
2009	\$520.18	\$287.46	\$807.64
2008	\$362.74	\$226.84	\$589.58
2007	\$0.00	\$0.00	\$0.00
	\$0.00		
TOTALS	\$362,811.21	\$4,920.57	\$367,731.78
DISCOUNT	(\$0.07)		
INTEREST	\$29,527.76	\$2,698.52	\$0.00
TOLERANCE	(\$10.88)	(\$2.07)	
ADVERTISING	\$1,147.00	\$5,496.34	
GARNISHMENT	\$12,605.15		
NSF/ATTY	\$0.00		
LEGAL FEES	\$2,621.65		
TOTALS	\$408,701.82	\$13,113.36	\$421,815.18
MISC FEE	\$0.00	\$0.00	
TAXES COLL	\$408,701.82	\$13,113.36	
DEF	\$9,877.28	\$10,277.10	\$0.00
DISC	(\$32.71)	\$418,978.92	\$0.00
TOL	\$0.00	\$0.00	\$0.00
INT	\$432.53	\$0.00	\$0.00
NSF FE	\$0.00	\$13,113.36	
TOTAL UNCOLLECTED TAXES MAY 2018			
	AMOUNT-REAL	AMOUNT-VEH	COMBINED AMT
2017	\$1,623,814.84	\$0.00	\$1,623,814.84
2016	\$560,223.89	\$0.00	\$560,223.89
2015	\$334,434.76	\$0.00	\$334,434.76
2014	\$288,126.33	\$0.00	\$288,126.33
2013	\$165,142.67	\$68,264.74	\$233,427.41
2012	\$114,261.58	\$78,452.63	\$192,714.21
2011	\$84,057.32	\$58,515.61	\$142,572.93
2010	\$74,922.45	\$54,449.92	\$129,372.37
2009	\$74,044.17	\$51,473.61	\$125,517.78
2008	\$54,636.87	\$62,490.89	\$117,127.76
2007	(\$0.00)	\$0.00	(\$0.00)
	\$3,373,664.87	\$373,667.40	\$3,747,332.27
DEF REV	\$84,706.76	\$0.00	\$84,706.76
TOTAL UNCOLLECTED	\$3,458,371.63	\$373,667.40	\$3,832,039.03

TAX ABATEMENTS AND SUPPLEMENTS

The Tax Assessor provided Commissioners with a detailed written report regarding tax abatements and supplements during *May 2018*. The monthly grand total of tax abatements was listed as (\$1,182.55) and monthly grand total for tax supplements was listed as \$35,270.57.

ENVIROMENTAL HEALTH: BUDGET AMENDMENT (BNA #042)

ACTION: Commissioner Allen made a motion, seconded by Commissioner Bridges, and unanimously adopted by the Board to, *approve the following budget amendment:*

<u>Account Number</u>	<u>Project Code</u>	<u>Department/Account Name</u>	<u>Increase</u>	<u>Decrease</u>
012.541.4.350.00	N/A	Env. Health/State Gov't Grants	\$30,782.00	
012.541.5.121.00	N/A	Env. Health/Salary-Reg	\$30,782.00	

Explanation of Revisions: Budget \$30,782 for the Department of Health and Human Services to be used for current budgeted salaries.

PUBLIC HEARINGS

PUBLIC FINANCE AUTHORITY EDUCATIONAL FACILITIES REVENUE BOND

Chairman Holbrook recognized County Manager Brian Epley. Several weeks ago the County was approached by Gardner-Webb University who is currently working through refinancing and refunding tax exempt revenue bonds which is existing debt. Mr. Epley introduced Mike Hardin, Gardner-Webb CFO who gave a brief overview of the intent and purpose of the public hearing and what role he is asking of the Board and the County.

Mr. Hardin stated Gardner-Webb is seeking authority to refinance its 2010/2014 tax abate models for a tax-exempt basis. The goal is to address the 2010 and 2014 models and the 2021 bullet maturity dates while all of the interest rates are still favorable. Gardner-Webb is pursuing tax exempting financing in order to structure an interest rate advantage versus a taxable deal which would be better for the University. The financing is expected to close in late July or early August.

Chairman Holbrook opened the floor to the Board for questions and discussion. Commissioner Hutchins inquired if the County is obligating itself to anything, including financials, by allowing the University to use the Board of Commissioners meeting on June 19, 2018 as a public forum and passing the University's proposed resolution? Mr. Hardin advised the Board is not taking on any liability or obligation to anything. The complete financial responsibility falls solely on the University and will have nothing to do with the County.


Chairman Holbrook opened the Public Hearing at 6:28 pm for anyone wanting to speak for or against the resolution supporting the Public Finance Authority Educational Facilities Revenue Bond at Gardner-Webb University.

Hearing no comments, Chairman Holbrook closed the Public Hearing at 6:29 pm. (Legal Notice was published by Gardner-Webb University on Friday, June 4, 2018).

Commissioner Hutchins asked again, for clarification, why the public hearing was held at the Commissioners Meeting and what commitments the County will have if the resolution is approved. Mr. Hardin

stated Gardner-Webb University is seeking a private activity bond to be issued by the Public Finance Authority. The University must receive the approval of each governmental unit having jurisdiction over the area in which any facility, with respect to which financing is to be provided from the net proceeds of such issue, is located. For Gardner-Webb, the governmental unit having the requisite jurisdiction is Cleveland County. The bond therefore needs the County's approval to be issued. The County is solely giving a stamp of approval saying that the bond issue will benefit the local community. The public hearing offers an opportunity for anyone who has questions or comments to be presented within the County where the capital improvements will be made.

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Allen, and passed unanimously by the Board to, *approve the resolution supporting the Public Finance Authority Educational Facilities Revenue Bond at Gardner-Webb University.*



"Cleveland County Grows Greater"

Resolution

Number 08-2018


RESOLUTION APPROVING A PUBLIC FINANCE AUTHORITY EDUCATIONAL FACILITIES REVENUE BOND (GARDNER-WEBB UNIVERSITY), SERIES 2018 FOR PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986.

WHEREAS, Gardner-Webb University (the "University"), a North Carolina nonprofit corporation, has requested the Public Finance Authority (the "Authority"), a Wisconsin bond issuing commission created under Sections 66.0301, 66.0303, and 66.0304 of the Wisconsin Statutes, as amended (the "Act") to issue its Educational Facilities Revenue Bond (the "Bond") in an original principal amount not to exceed \$26,000,000, the proceeds of which will be loaned to the University to (1) refinance a commercial loan from RBC Bank (USA) ("RBC") in the original principal amount of \$33,460,000, pursuant to a Construction Loan Agreement between RBC and the University, as borrower, dated December 15, 2010 (the "2010 Loan"), which was used for the purposes set forth below, (2) refinance a revolving line of credit from PNC Bank, National Association ("PNC") in the maximum principal amount of \$7,000,000, pursuant to a Loan Agreement between PNC and the University, as borrower, dated October 1, 2014 (the "2014 Loan"), which was used for the purposes set forth below, and (3) pay all or a portion of the costs of issuing the Bond;

WHEREAS, the 2014 Loan was used to finance (i) the acquisition, construction and equipping of a new approximately 300-seat Brinkley softball stadium and related improvements and (ii) the acquisition, construction, rehabilitation and equipping of an approximately 50,000 square foot College of Health Science facility (the "2014 Project");

WHEREAS, the 2010 Loan was used to refund: (a) \$11,725,000 original aggregate principal amount of North Carolina Educational Facilities Finance Agency Variable Rate Demand Revenue Bonds (Gardner-Webb University), Series 1997 (the "1997 Bonds"), (b) \$6,700,000 original aggregate principal amount of North Carolina Educational Facilities Finance Agency Variable Rate Demand Revenue Bonds (Gardner-Webb University), Series 1999 (the "1999 Bonds"), and (c) \$8,000,000 original aggregate principal amount of Variable Rate Educational Facilities Revenue Bonds (Gardner-Webb University), Series 2003 (the "2003 Bonds"), in each case to finance or refinance certain projects (together with the 2014 Project, the "Projects") located on the University campus in Cleveland County, North Carolina (the "County"), as further described in the notice of public hearing attached hereto as Exhibit A;

WHEREAS, in order for interest on the Bond to be excludable from gross income for federal income tax purposes, the issuance of the Bond must, among other things, be approved by the governmental unit having jurisdiction over the area in which any facility, with respect to which financing is to be provided from the net proceeds of the Bond, is located, in compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code");

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WHEREAS, the Bond will be a special limited obligation of the Authority payable solely from the loan repayments to be made by the University to the Authority, and certain funds and accounts established by the agreement under which the Bond will be issued;

WHEREAS, the University anticipates that the Projects will benefit the County by providing quality higher educational facilities for people from the County and surrounding areas;

WHEREAS, pursuant to Section 66.0304(11)(a) of the Wisconsin Statutes and Section 4 of the Amended and Restated Joint Exercise Power Agreement Relating to the Public Finance Authority dated as of September 28, 2010 (collectively, "Authority Requirements") and Section 147(f) of the Code and Treasury Regulations Section 5f.103-2(f), as amended (collectively, "Federal Tax Requirements"), prior to the issuance of the Bond by the Authority, and after a public hearing held following reasonable public notice, the University has requested the Board of Commissioners of the County (the "Board"), as the highest elected representatives of the County, the governmental unit having jurisdiction over the area in which the Projects are located, to approve the Bond;

WHEREAS, on this date, prior to any deliberations regarding this Resolution, a public hearing was held at which all interested persons have been given a reasonable opportunity to express their views on the location of the Projects, the issuance of the Bonds, and other related matters, notice of said public hearing having been given by publication, attached as Exhibit A, in the *Shelby Star*, a newspaper having general circulation in the County, not less than 14 days prior to the date thereof; and

WHEREAS, at the University's request, the Board now desires to approve the Authority's issuance of the Bond and the refinancing of the Projects in order to satisfy the Authority Requirements and the Federal Tax Requirements;

NOW, THEREFORE, BE IT RESOLVED and it is hereby resolved by the Board as follows:

Section 1. Based on information provided to the Board by the University, it is hereby found, determined and declared that (a) the Projects are anticipated to benefit the general public welfare of the County by providing quality higher educational facilities, and (b) the Projects and the Bond will give rise to no pecuniary liability of the Board or the County, or a charge against the general credit or taxing power of the County.

Section 2. For the sole purpose of compliance with the Authority Requirements and the Federal Tax Requirements, the Board, as the applicable elected representatives of the governmental unit having jurisdiction over the area in which the Projects are located, approves the Projects and the Authority's issuance of the Bond to refinance the Projects.

Section 3. The Bond shall in no way be an obligation or liability of the Board or the County and is a limited obligation of the Authority payable solely from the loan repayments to be made by the University to the Authority and certain funds and accounts established by the agreement under which the Bond is issued.


Section 4. The Board certifies that the undersigned Chairman is the person authorized and directed to execute such documents as may be necessary to evidence the Board's approval granted under this Resolution.

Section 5. All ordinances, orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this Resolution shall take effect and be in full force and effect from and after its adoption.

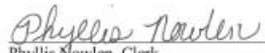
Adopted this 19th day of June, 2018.

CLEVELAND COUNTY, NORTH
CAROLINA

(SEAL)

By: 
Eddie Holbrook, Chairman
Board of Commissioners of Cleveland County

ATTEST:


Phyllis Nowlen, Clerk
Cleveland County Board of Commissioners



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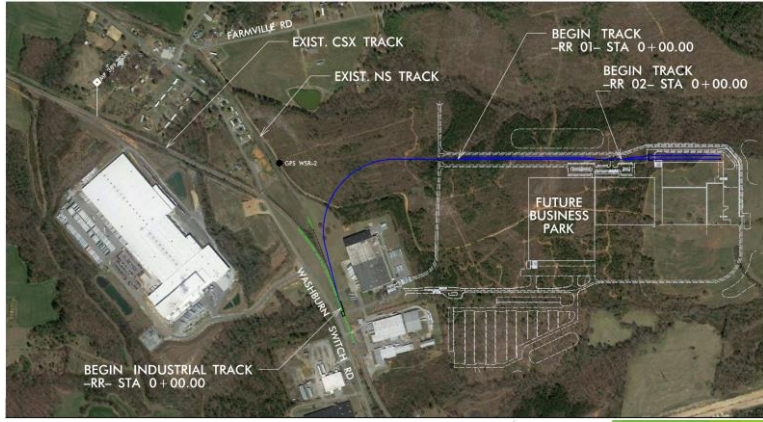
REGULAR AGENDA

WASHBURN SWITCH RAIL INSTALL BID

Chairman Holbrook recognized Shane Fox, CFO, to present the Washburn Switch Rail install bid. Mr. Fox stated, as part of the Clearwater expansion project, there is to be 5,500 linear feet of rail track installed. The bid was advertised on May 14, 2018. Nine contractors attended the mandatory pre-bid meeting on May 31 and seven bids were received on June 12, 2018. The conceptual cost estimate for the entire project was \$1,572,952, inclusive of engineering design and construction versus a budget of \$1,400,000. Construction of the rail was estimated at \$1,370,800. The Queen City Rail Construction bid was \$1,332,384 or \$38,416 below the conceptual estimate. The bid includes additional scope requested and funded by Clearwater outside of their infrastructure contribution in aid. The Queen City bid will be reviewed with Clearwater and adjusted to reflect the additional scope. It is anticipated that the rail improvements will be below budget for the County. The reimbursement from Clearwater for this portion of the infrastructure improvements, in accordance with the Economic Development Agreement executed on February 13, 2017, is \$325,000. The balance of the funding is provided by NCDOT Rail and the North Carolina Railroad Company Co. Staff recommends selection of the low responsive, responsible bid from Queen City Railroad Construction to construct the new industrial railroad track to serve Clearwater Paper; and all other incidental items necessary to complete the project as specified and shown on the plans. The resulting work will provide the needed infrastructure for the development of the Clearwater Paper rail service.

Chairman Holbrook opened the floor to the Board for any questions and discussion. Commissioner Whetstine asked, for confirmation, since this is part of the Clearwater incentive there will be no monetary impact on the County. Mr. Fox stated this was correct.

Washburn Switch Rail Bid



Project Scope

- 5,300 Linear Feet of Track Installed
- 1 Turnout
- 1 Road Crossing
- 2 Bump Posts
- Funding –
 - NC Railroad Grant
 - NCDOT Rail Grant
 - Company Reimbursement

Project Bid Details

- Preliminary cost estimate \$1.38M
- Bids formally advertised on May 14, 2018
- 9 Contractors attending mandatory pre-bid meeting May 31, 2018
- 6 Formal bids received on June 12, 2018
- Bid range was \$1.33M to \$1.78M, Avg. \$1.57M
- Low Bid \$1,332,384

Recommendation

- Award contract to lowest responsive, responsible bidder
 - Queen City Railroad Construction \$1,332,384
- Due Diligence work has been completed on Queen City
 - Queen City – Rail Contractor on 1st Project
- Project must be completed between July 15, 2018 and December 15, 2018, Liquidating damages after dates

ACTION: Commissioner Bridges made the motion, seconded by Commissioner Whetstine and unanimously approved by the Board to, *approve the selection of the low responsive, responsible bid from Queen City Railroad Construction of \$1,370,800 to construct the new industrial railroad track to serve Clearwater Paper and all other incidental items necessary to complete the project.*

BOARD APPOINTMENTS

ADULT HOME CARE ADVISORY BOARD

ACTION: Commissioner Allen made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to appoint Venita Jamerson and Velvet Briscoe to serve as members of this board*, for a period of one-year, scheduled to conclude June 30, 2019.

CLEVELAND COMMUNITY COLLEGE BOARD OF TRUSTEES

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Allen, and unanimously adopted by the Board, *to re-appoint Wes Westmoreland to serve as a member of this board*, for a period of four-years, scheduled to conclude June 30, 2022.

CLEVELAND COUNTY LIBRARY BOARD OF TRUSTEES

ACTION: Commissioner Bridges made the motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board, *to re-appoint Robin Brackett, Dr. Rebecca Love and Ann Royster to serve as members of this board*, for a period of three-years, scheduled to conclude June 30, 2021.

COMMUNITY CARE BLOCK ADVISORY BOARD

ACTION: Commissioner Allen made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to appoint Nancy Abasiekong, Diane Padgett and Peggy Wuest to serve as members of this board*, for a period of three-years, scheduled to conclude June 30, 2021.

NUMBER 3 VOLUNTEER FIRE DEPARTMENT FIRE PROTECTION DISTRICT COMMISSION

ACTION: Commissioner Whetstine made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to re-appoint David Austin, James Gibson and Neal Stroup to serve as members of this board*, for a period of two-years, scheduled to conclude June 30, 2020.

NURSING HOME ADVISORY BOARD

ACTION: Commissioner Bridges made the motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board, *to appoint Velvet Briscoe to serve as a member of this board*, for a period of one-year, scheduled to conclude June 30, 2019.

REGION C WORKFORCE DEVELOPMENT BOARD

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board, *to re-appoint Phillip Bunch and appoint Terry Thomas and Danny Blanton to serve as members of this board*, for a period of three-years, scheduled to conclude June 30, 2021.

SHOOTING RANGE ADVISORY BOARD

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Allen, and unanimously adopted by the Board, *to re-appoint Adam Queen, Todd Tongel, Dale Ramsey and appoint Jason Falls and Jim Quinlan to serve as members of this board*, for a period of three-years, scheduled to conclude June 30, 2021.

BOILING SPRINGS BOARD OF PLANNING AND ADJUSTMENT ETJ

ACTION: Commissioner Whetstine made the motion, seconded by Commissioner Hutchins, and unanimously adopted by the Board, *to re-appoint Buster Bryson to serve as a member of this board*, for a period of three-years, scheduled to conclude June 30, 2021.

CITY OF SHLEBY BOARD OF ADJUSTMENT ETJ

ACTION: Commissioner Bridges made the motion, seconded by Commissioner Hutchins, and unanimously adopted by the Board, *to re-appoint Noel MacArthur and Roger Holland to serve as members of this board*, for a period of three-years, scheduled to conclude June 30, 2021.

CITY OF SHLEBY PLANNING AND ZONING ETJ

ACTION: Commissioner Allen made the motion, seconded by Commissioner Hutchins, and unanimously adopted by the Board, *to re-appoint Bob Cabanas and Emanuel Hunt Jr. to serve as members of this board*, for a period of three-years, scheduled to conclude June 30, 2021.

COMMISSIONER REPRESENTATIVE APPOINTMENTS

ACTION: Commissioner Whetstine made the motion, seconded by Commissioner Bridges, and passed 4-0 (Commissioner Allen did not vote due to her seat on JCPC) by the Board, *to appoint Commissioner Allen to serve on the Juvenile Crime Prevention Council*.

ACTION: Commissioner Allen made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to appoint Commissioner Hutchins to serve on the Metropolitan Planning Organization Board.*

COMMISSIONER REPORTS

Commissioner Bridges – spoke about upcoming programs that will be held at the libraries throughout the County and about several events he attended such as the Polkville Rodeo and the 25th Anniversary of the Partnership with Children Gala. He also stated the water line at the fairgrounds is now complete.

Commissioner Whetstine – attended the Shelby High School scholarship awards program and spoke about the 81 students who maintained a 3.65 GPA or higher throughout their years in high school. The Health Department has received a grant from the State for Cleveland County's environmental control agency meeting 100% of all the required inspections even though they are currently short staffed. He added this is a huge feat as not many counties are able to do this. Commissioner Whetstine attended one the local Match Academies and stated parent involvement with the program is 80%.

Commissioner Hutchins – stated the Veteran's Council is in the process of planning parades and events for the 4th of July and Veteran's Day. He attended the Cross-Trail Outfitter Foothills Banquet and the annual Council of Aging Luncheon.

Commissioner Allen – gave an update on the Partnership for Community Prosperity initiatives including housing, transportation, education and workforce.

Chairman Holbrook – spoke about the progress of the Doran Mill cleanup.

Betsy Harnage, Register of Deeds – gave a brief update to the Board regarding Passport Services. To date they have accepted over 107 applications and 122 photos and those who were amongst the first to have us submit their applications have already received their passports. She concluded by thanking the Board for their continued support and contributions in making this service available to the citizens of Cleveland County.

ADJOURN

There being no further business to come before the Board at this time, Commissioner Hutchins made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to adjourn the meeting.* The next meeting of the Commission is scheduled for *Tuesday, July 17, 2018 at 6:00 p.m. in the Commissioners Chamber.*

*Eddie Holbrook, Chairman
Cleveland County Board of Commissioners*

*Phyllis Nowlen, Clerk to the Board
Cleveland County Board of Commissioners*