

The Lincoln County Board of County Commissioners met for a budget work session on May 11, 1998 at the Citizens Center, Commissioners Room, 115 West Main Street, Lincolnton, North Carolina, the regular place of meeting at 6:30 PM. The following were present:

Louis E. McConnell, Chairman  
James A. Hallman, Vice Chairman  
Terry L. Brotherton  
Larry S. Craig  
Beth H. Saine

Richard French, County Manager  
Stan Kiser, Assistant County Manager  
Leon Harmon, Director of Finance

Also present were Doug Chapman, County Engineer and Amy S. Long, Clerk to the Board of Commissioners.

**CALL TO ORDER**

Chairman McConnell called the May 11, 1998 meeting to order.

**ADOPTION OF AGENDA**

Chairman McConnell presented the agenda for the May 11, 1998 budget work session for approval.

**AGENDA****LINCOLN COUNTY BOARD OF COMMISSIONERS****BUDGET WORK SESSION****MAY 11, 1998**

1. 6:30 PM Call to Order
2. Adoption of Agenda
3. Budget Discussion – County Manager Rick French
  - Landfill Budget
  - Water & Sewer Budget
  - East Lincoln Sewer Budget
  - Other Budget Items

4. Discussion of Budget Process – May 27, 1998  
Public Hearing
5. Other Business  
- Resolution Honoring Dr. Clyde Smith
6. Closed Session – Personnel & Contractual  
  
Adjourn

A motion by Commissioner Larry Craig to adopt the agenda as presented.

Seconded by Commissioner James Hallman.  
Unanimously approved.

## **BUDGET DISCUSSION**

Rick French, County Manager, presented the Commissioners with department requests. He stated that he would like to go through the Landfill budget, the Water and Sewer Budget, East Lincoln Sewer Budget, and other budget items.

### **Landfill Budget**

Mr. French stated that Landfill budget is \$2,086,731. Most of this money comes from revenues: \$1,727,001 comes from availability fees and \$225,000 comes from tipping fees. The Landfill budget calls for the availability fee staying the same (\$69) and the same tipping fee (\$32). The Landfill budget contains no new employees. A cost of living raise is included for employees.

### **Water and Sewer Budget**

Mr. French stated that the Water and Sewer fund is \$3,401,524. The majority of the revenue in the fund comes from water sales, which is \$2,500,000. \$513,000 comes from the loan from General Fund. \$131,000 comes from water taps. There is a proposed increase in the minimum charge from \$16.70 to \$20.00. There is also a proposed increase in the water availability fee, which will increase from \$175 to \$200. There is a proposed increase in meter installation, which will increase from \$75 to \$125. There are no new employees budgeted for the Water Fund. A cost of living raise is included for employees.

Mr. French stated that on the expense side of the water fund: the operation of the water plant is about \$450,000 and water maintenance is about \$686,000. Debt services is \$2,113,647.

Chairman McConnell asked how many new taps there were during the past year.

Doug Chapman stated that there were 300 – 350 customers during the year.

Rick French, County Manager, stated that there will soon be 5,000 customers.

Mr. French stated that the County will be facing expansion of the plant before too long. He stated that the largest user is Timken.

### **East Lincoln Sewer Budget**

Rick French, County Manager, stated that the East Lincoln County Water and Sewer District was established by referendum in April of 1993. The Board of Commissioners established the District after receiving petition from residents and holding public hearings. The debt is what was voted on. The District was voted on by the citizens living within the district boundaries. The Sewer District, as it was first proposed by J.N. Pease, was proposed that there would be 600 customers in 1995 and 1996, with an additional 1240 customers the next fiscal year, six cent tax rate, and connection fees starting at \$3000 and increasing 10% per year. He stated that last year county staff looked at a tax rate of 29 cents. The tax rate was later set at 22 cents. At the end of last budget year, the general fund had to loan \$350,000 out of the fund balance in order for the district to break even.

Mr. French reviewed the letter from the Local Government Commission addressing the low fund balance. He stated that different types of fees have been discussed. In November, the East Lincoln Sewer Task Force was formed. They presented their report in February. The Task Force reported that failure to adopt a number of proposed recommendations would result in an unacceptable tax rate of 39 cents. In April of 1998 the County received another letter from the Local Government Commission. Mr. French stated that he, Doug Chapman, County Engineer, and Jack Chandler, Director of Public Service looked at all options. He stated that the proposed budget includes raising the tax rate from 22 cents to 28 cents, which would cover debt service in the district. He stated that it is proposed that the Availability fee increase to \$1800 in the district and \$2500 out-of-district. There would be a low pressure tap fee of \$800 and a gravity tap fee of \$1500. The \$1600 grinder pump would be an option. It is recommended that the minimum sewer use fee go from \$15.00 to \$20.00.

Doug Chapman, County Engineer reviewed the budget for the East Lincoln Water and Sewer District in further detail.

Jack Chandler, Director of Public Service, stated that 553 customers will be billed in June for May usage. He stated that this is a 25 customer increase from last month. Mr. Chandler stated that there are currently 341 applications.

Commissioner Larry Craig stated that he has a little bit of a problem raising the tax rate in the district.

Commissioner Terry Brotherton stated that he is opposed to the tax increase also. He stated that the nationwide average impact fee on a new home is \$2542. He stated that there is a \$844 fee for Wetland Preservation, and \$398 for tree preservation. He stated that this is \$3784 total. He stated that the residents of Lincoln County do not have to pay any of these fees. He stated that he believes in a \$3000 capacity fee.

Rick French, County Manager, stated that with capacity fees, if the connections are not there, the District may have to borrow money from the fund balance again. He stated that he believes that the 28 cent sewer district tax is the high end, and it will start coming down next year.

Mr. French stated that there was another budget work session on Thursday, May 14, 1998.

#### **Other Budget Items**

Rick French, County Manager, stated that he will present the budget at the work session on Thursday, May 14, 1998. He stated that there will be no tax increase in the General Fund. He stated that the Public Hearing for the Budget could be set for June 1, 1998, and a work session on May 27, 1998.

It was the consensus of the Board to set the Public Hearing for the Budget on June 1, 1998 at 6:30 p.m.

#### **OTHER BUSINESS**

Bill Ward, Safety and Training Director, gave a brief overview of the tornado damage from Thursday, May 7, 1998. He stated that at 6:34 p.m. the National Weather Service issued a tornado warning for Lincoln County. Mr. Ward stated that at 6:49 p.m. there was a touch-down in western Lincoln County. A state of emergency was declared at around 8:30 p.m. There was some storm damage in the east end around 8:00 p.m. Mr. Ward stated that on Friday morning, the Tax Department went out and did damage assessment. Initially there were 50 damaged structures, including homes, barns, churches, outbuildings, and businesses. There were 4 destroyed -- 3 single-wide mobile homes and one doublewide mobile home. There were around 12 vehicles that suffered damage. Structure damage ran approximately \$200,000 and vehicle damage was around \$12,000 – only 3 were uninsured. Mr. Ward stated that Solid Waste took 2 dumpsters to the site. Mr. Ward stated that the National Weather Service came in and did an assessment of the damage. They believe the damage was done by straight, downdraft winds, with a F1 tornado mixed in. He stated that a F1 is a weak tornado and that the tornado in 1989 was a F4. Mr. Ward stated that there were no injuries reported.

Commissioner Terry Brotherton asked about the possible use of McGuire's sirens for tornado warnings.

Bill Ward stated that the sirens at McGuire could be used, but he is afraid they may just confuse people. He stated that there is the same problem with the fire sirens, because there is no way to differentiate the sounds. The best source of alerting is a weather alert radio or watching television or listening to the radio. He stated that the Fire Departments could be approached about not using the fire sirens, except for emergency warnings. Mr. Ward stated that tornado sirens would start at around \$500,000 for county-wide sirens.

Commissioner Larry Craig stated that he would like to extend a letter to the Fire Departments that participated in this thanking them for going beyond the call-of-duty.

Rick French, County Manager, stated that they would try to work out something with the Volunteer Fire Departments.

Chairman McConnell presented the following Resolution of Appreciation for Dr. Clyde T. Smith. He stated that the PTA of Iron Station Elementary School has requested this Resolution.

## **RESOLUTION OF APPRECIATION**

### **Dr. Clyde T. Smith**

**WHEREAS**, Dr. Clyde T. Smith was born in Stanley, North Carolina. He graduated in 1960 from Stanley High School, and

**WHEREAS**, Dr. Smith received a Master of Arts Degree from Appalachian State University in 1971, Doctor of Education Degree from Nova University in 1981, Bachelor of Science in Education from Western Carolina University in 1965, Educational Specialist Degree from Appalachian State University in 1978, and attended the Principal's Executive Program at The University of North Carolina at Chapel Hill in 1991, and

**WHEREAS**, Dr. Smith was active in all sports. He was one of the "Fearsome 5" in basketball, and

**WHEREAS**, Dr. Smith began teaching in Gaston County in 1965 where he taught 8<sup>th</sup> Grade Physical Education and Social Studies until 1967. Then from 1967 to 1968, Dr. Smith taught 9<sup>th</sup> Grade Civics in Taylorsville. Dr. Smith came to Lincolnton High School in 1968 where he taught Civics, was Assistant Football Coach, Head Track Coach, and Head Basketball Coach. From 1965 to 1986, Dr. Smith was Assistant Principal at Lincolnton High School. Dr. Smith was

Principal of Oaklawn Elementary School from 1986 until 1990. From 1990 until his recent retirement, Dr. Smith was Principal of Iron Station Elementary School, and

**WHEREAS**, in 1995, Dr. Smith was appointed to the Board of Examiners for the North Carolina Quality Leadership Award, and

**WHEREAS**, Dr. Smith has dedicated his time, talent and energy as well as devoted his career in a leadership role to the education and better quality of life of our children, and

**THEREFORE, BE IT RESOLVED**, that the Lincoln County Board of Commissioners wishes to express its appreciation in recognizing, honoring, and commemorating Dr. Clyde T. Smith's service and commitment by providing leadership and dedication to the education of our children.

Adopted by the Lincoln County Board of Commissioners, the 11<sup>th</sup> day of May, 1998.

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Louis E. McConnell, Chairman  
Board of Commissioners

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James A. Hallman  
Vice-Chairman

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Larry S. Craig  
Commissioner

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Beth H. Saine  
Commissioner

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Terry L. Brotherton  
Commissioner

A motion by Commissioner James Hallman to approve the Resolution of Appreciation for Dr. Clyde T. Smith, as requested by the Iron Station PTA.

Seconded by Commissioner Larry Craig.  
Unanimously approved.

Rick French, County Manager, presented a Modification Agreement, in which the County will receive a lesser interest rate on the bonds borrowed for some of the Water notes. This Modification Agreement modifies and amends a Refunding Bond between the Issuer and First Citizens Bank dated as of June 1, 1988 in the original sum of \$1,108,200.

A motion by Commissioner Larry Craig to approve the Modification Agreement.

Seconded by Commissioner Terry Brotherton.  
Unanimously approved.

Chairman McConnell called for a five minute recess.  
Chairman McConnell called the meeting back to order.

## **CLOSED SESSION**

Chairman McConnell advised that there was a need for a Closed Session for the purpose of discussing a personnel and contractual matter.

Commissioner Larry Craig motioned that the Board go in to Closed Session.

Seconded by Commissioner James Hallman.  
Unanimously approved.

Commissioner James Hallman motioned for the Board to come out of Closed Session.

Seconded by Commissioner Beth Saine.  
Unanimously approved.

A motion by Commissioner Larry Craig to go back into closed session.

Seconded by Commissioner Terry Brotherton.  
Unanimously approved.

A motion by Commissioner Larry Craig to come out of closed session.

Seconded by Beth Saine.  
Unanimously approved.

## **ADJOURN**

Being no further business to come before the Board of Commissioners at this time, Chairman McConnell entertained a motion to adjourn the May 11, 1998 meeting.

Commissioner James Hallman motioned that the Board adjourn the May 11, 1998 meeting.

Seconded by Commissioner Larry Craig.  
Unanimously approved.