

**MINUTES**  
**LINCOLN COUNTY BOARD OF COMMISSIONERS**  
**MONDAY, JUNE 17, 2013**

The Lincoln County Board of County Commissioners met June 17, 2013 at the Citizens Center, Commissioners' Room, 115 West Main Street, Lincolnton, North Carolina, at 6:30 P.M.

**Commissioners Present:**

Alex E. Patton, Chairman  
Carl E. Robinson, Jr., Vice Chair  
James A. Klein  
Carrol D. Mitchem  
Cecelia A. Martin

**Others Present:**

George A. Wood, County Manager  
Martha W. Lide, Assistant County Manager  
Wesley L. Deaton, County Attorney  
Amy S. Atkins, Clerk to the Board

**Call to Order:** Chairman Patton called the June 17, 2013 meeting of the Lincoln County Board of Commissioners to order and led in an Invocation.

**Adoption of Agenda:** Chairman Patton presented the agenda for the Board's approval.

**AGENDA**  
**Lincoln County Board of Commissioners Meeting**  
**Monday, June 17, 2013**  
**6:30 PM**

**James W. Warren Citizens Center**  
**115 West Main Street**  
**Lincolnton, North Carolina**

Call to Order

Invocation – Chairman Patton

Pledge of Allegiance

1. Adoption of Agenda
2. Consent Agenda
  - Waived Fees - Wake Up Call Ministry

- Tax Requests for Refunds
  - May 6 - 19, 2013
- Surplus Property
- Ordinance #2013-15: An Ordinance Amending the FY 2013 Budget for the County of Lincoln
- Ordinance #2013-16: An Ordinance Amending the FY 2013 Budget for the County of Lincoln
- Ordinance #2013-17: An Ordinance Amending the FY 2013 Budget for the County of Lincoln
- Special Events Fee Waiver Request for DABA 4th of July Fireworks Festival

3. Planning Board Recommendations - Randy Hawkins

ZMA #605 C4 Development, LLC, applicant

CUP #323 Michael Shuford, applicant

4. Update on Sign Ordinance - Andrew Bryant

4a. Public Hearing - Industrial Development Incentive Grant for Existing Industry and motion to adopt Resolution #2013-26: Resolution to Adopt Economic Incentive Grant Agreement- Kara Brown

5. Public Comments (15 minutes allowed per Rules of Procedure - 3 minutes per person)

6. Motion to Appoint Assistant County Manager Martha Lide as the Interim County Manager effective July 1, 2013, to serve until a County Manager is selected, pursuant to NCGS 153A-84

7. Motion to Adopt Resolution #2013-25: A Resolution Amending the Fiscal Policy on Adequate Fund Balance and Working Capital in the Operating Funds - George Wood

8. Discussion of Child Advocacy Center Funding for FY 2014 - George Wood

9. Motion to Adopt Ordinance #2013-18: An Ordinance Adopting the Lincoln County Budget for Fiscal Year 2013-2014

10. Motion to Approve Lincoln County Airport Sewer - Change Order #1 - Don Chamblee

11. Motion to Approve Lincoln County Airport Sewer - Change Order #2 - Don Chamblee

12. Motion to Approve Galway Lane lowering and paving as recommended by the Public Works Director, contingent upon the financial contribution from the Lincoln Charter School - Don Chamblee

13. Motion to Approve Construction of a 60,000 square foot shell industrial

building in the Airlie Business Park per the County Manager's recommendation - George Wood

14. Motion to Approve Lease Agreement with Community Health Partners - Martha Lide
15. Finance Officer's Report - Deanna Rios
16. County Manager's Report
  - Property Tax Collection Report
  - City Water Negotiations
17. County Commissioners' Report
18. County Attorney's Report
19. Vacancies/Appointments
20. Calendar
21. Other Business
  - Register of Deeds Report

Adjourn

**UPON MOTION** by Commissioner Martin, the Board voted unanimously to adopt the agenda as presented.

**Consent Agenda:** **UPON MOTION** by Commissioner Klein, the Board voted unanimously to approve the Consent Agenda.

- Waived Fees - Wake Up Call Ministry
- Tax Requests for Refunds
  - May 6 - 19, 2013
- Surplus Property
- Ordinance #2013-15: An Ordinance Amending the FY 2013 Budget for the County of Lincoln
- Ordinance #2013-16: An Ordinance Amending the FY 2013 Budget for the County of Lincoln
- Ordinance #2013-17: An Ordinance Amending the FY 2013 Budget for the County of Lincoln
- Special Events Fee Waiver Request for DABA 4th of July Fireworks Festival

\*Items listed in the Consent Agenda are on file in the office of the Clerk to the Board and are hereby made a part of these minutes as though fully set forth herein.\*

**Recommendations from Planning Board:**

Randy Hawkins presented the following recommendations:

### **ZMA #605 – C4 Development, LLC applicant**

ZMA #605 C4 Development, LLC, applicant (Parcel ID# 34062) A request to rezone 0.26 acre from R-SF (Residential Single-Family) to B-N (Neighborhood Business). The property, part of a 1.6-acre parcel, is located about 300 feet north of N.C. 16 Business and 850 feet west of Forest Hills Drive in Catawba Springs Township.

**The Planning Board voted 6-0 to recommend approval.**

**UPON MOTION** by Commissioner Robinson, the Board voted unanimously to adopt the Statement of Consistency and Reasonableness.

**UPON MOTION** by Commissioner Klein, the Board voted unanimously to approve ZMA #605 – C4 Development, LLC, applicant.

### **CUP #323 – Michael Shuford, applicant:**

CUP #323 Michael Shuford, applicant (Parcel ID# 11131) A request for a conditional use permit to place a Class C (singlewide) manufactured home in the R-S (Residential Suburban) district. The proposed 1.1-acre site, part of a 10.2-acre parcel, is located on the west side of Peeler Road about 1,000 feet south of Reeps Grove Church Road in North Brook Township.

**The Planning Board voted 5-0 to recommend approval.**

**UPON MOTION** by Commissioner Martin, the Board voted unanimously to approve CUP #323 – Michael Shuford, applicant, based on the recommendation of the Planning Board.

**Update on Sign Ordinance - Andrew Bryant:** Andrew Bryant, Director of Planning and Inspections, gave an update on some possible amendments to the Sign Ordinance, as requested by the real estate community. The Planning Board asked staff to research how other areas handle off-site temporary real estate signs. He said most research pointed toward cities and towns, which allowed placement of signs in their right of way, but not the state's right of way, which is statutorily prohibited.

Since the county does not have a right of way to allow or disallow signs in, we can allow these off-site directional signs less than 4 square feet in size, to be placed outside the state's right of way, between the hours of 5 p.m. on Friday and 8 a.m. on Monday. That would allow the real estate community to place their signs on the weekends.

The Board expressed concerns that this only applies to real estate signs and not allow them for other businesses.

**A MOTION** by Commissioner Klein to move forward with the language as presented, waiting for the business community to come forward .

**A SUBSTITUTE MOTION** from Commissioner Mitchem to send this back to the Planning Board since it won't be sent back until September.

**VOTE: 3 – 2**      **AYES: Robinson, Mitchem, Patton**  
**NOES: Martin, Klein**

**Public Hearing - Industrial Development Incentive Grant for Existing Industry and motion to adopt Resolution #2013-26: Resolution to Adopt Economic Incentive Grant Agreement- Kara Brown:** Kara Brown presented the following Resolution for the Board's consideration.

**UPON MOTION** by Commissioner Robinson, the Board voted unanimously to adopt Resolution #2013-26.

**RESOLUTION TO ADOPT ECONOMIC INCENTIVE  
GRANT AGREEMENT WITH UNITED TECHNOLOGIES CORPORATION**

WHEREAS, the Lincoln County Board of Commissioners verily believes that it is in the best interests of the citizens of Lincoln County to encourage and support economic development within Lincoln County through the recruitment of new industries to the County and the expansion of existing industries in the County; and

WHEREAS, UTC has developed plans for expansion of their manufacturing facility in Lincoln County; and

WHEREAS, the Board of Commissioners wishes to encourage such development by means of offering incentives to aid in such efforts;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED AS FOLLOWS:

1. The Lincoln County Board of Commissioners hereby approves the Lincoln County Incentive Grant Agreement (attached hereto as Exhibit A and incorporated herein by reference) among Lincoln County, UTC.

2. The Chairman of the Board of Commissioners and the Clerk to the Board are hereby authorized to sign all necessary documents on behalf of Lincoln County in order to effectuate this transaction.

3. This resolution shall become effective upon adoption.

This 17th day of June, 2013.

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Alex Patton, Chairman

Lincoln County Board of Commissioners

ATTEST:

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Amy Atkins, Clerk to the Board

**LINCOLN COUNTY INCENTIVE GRANT AGREEMENT**

NORTH CAROLINA

LINCOLN COUNTY

THIS AGREEMENT is made and entered into as of the 17<sup>th</sup> day of June 2013, by and between LINCOLN COUNTY, a body corporate and politic (hereinafter referred to as "the County"), and United Technologies Corporation, a Connecticut corporation (hereinafter referred to as "UTC").

WITNESSETH:

WHEREAS, UTC has developed plans to complete the second floor mezzanine office area and provide additional office space and office equipment in Lincoln County, North Carolina; and

WHEREAS, the Board of Commissioners of Lincoln County verily believes that the location of new industries and the expansion of existing industries is vital to the economic health of Lincoln County and to the welfare of its citizens; and

WHEREAS, the Board of Commissioners wishes to encourage such development by means of offering incentives to recruit new industries and to aid in expansion of existing industries; and

WHEREAS, such incentives are predicated on the notion of expanding Lincoln County's tax base and providing additional jobs for Lincoln County's citizens that pay wages higher than the current prevailing average hourly wage in the particular industry; and

WHEREAS, the Board of Commissioners has determined that it is appropriate and in the best interests of Lincoln County and its citizens to offer incentives in the form of both cash grants and assistance with making public services available; and

WHEREAS, the Board of Commissioners believes that it is appropriate and reasonable to expect UTC to bind itself to the County to produce certain results in conjunction with the project described herein as conditions of the incentives being offered by the County;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein set forth, the parties hereby agree as follows:

1. On or before June 17, 2013, UTC shall begin construction/up-grade of a new/existing manufacturing facility in Lincoln County, North Carolina.
2. Within two years of the effective date of this agreement (said effective date being referred in item 1.), UTC shall make an investment upon such site in improvements and equipment of \$1,550,000, of which \$1,475,000 will qualify for incentives under the Lincoln County Industrial Incentive Grant Policy.
3. Within two years of the effective date of this agreement, UTC shall provide at such site at least 10 new jobs paying minimal average weekly wages of \$650.00.
4. In consideration of the performance of the aforesaid obligations by UTC, the County will provide cash grants to UTC of \$5733.33 per year for a five-year period. Lincoln County will pay such grants beginning in the tax year after the project's completion. Grants will be paid to UTC within 30 days after UTC has made its tax payment for the then-current year and has notified Lincoln Economic Development Association of the payment. This amount represents a Level 1 grant under the Lincoln County Industrial Development Incentive Grant Policy for New and Existing Industries.
5. UTC shall on a no less than annual basis provide evidence satisfactory to the County of how many jobs (as provided in Paragraph 3 herein) it has maintained.
6. In the event that the value of the investment actually made by UTC pursuant to this agreement is greater or less than the aforementioned contract amount, the incentive grants to be provided hereunder will be adjusted upward or downward on a pro-rata basis.
7. UTC specifically agrees that in the event that all or any portion of this agreement or any incentive grant or payment to be made hereunder is declared to be unconstitutional, illegal, or otherwise enjoined by a court of competent jurisdiction, UTC shall indemnify and hold harmless Lincoln County and its Board of Commissioners, individually and collectively, from any loss or liability and shall reimburse Lincoln County by the amount of any such grant or payment.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the day and year first above written.

Mike Vann

By: \_\_\_\_\_  
United Technologies Corporation

LINCOLN COUNTY

By: \_\_\_\_\_  
Alex E. Patton, Chairman  
Board of Commissioners

ATTEST:

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Amy S. Atkins  
Clerk to the Board of Commissioners

**Public Comments:** Chairman Patton opened public comments.

Alan Hoyle, Lincolnton, thanked the Board for what they do and for opening the meeting in prayer. He asked the board to always remember to keep debt to a bare minimum.

Martin Oakes stated that the Board did not open the public hearing before voting on the Incentive Grant. He spoke concerning real estate signs, saying a lot of these signs were in the right of way, and in front of barriers. He said you cannot treat real estate signs different than other businesses.

Rudy Bauer said the rules and regulations are never enforced. He presented cases where the conditions are not being followed.

Being no additional speakers, Chairman Patton closed public comments.

Chairman Patton opened the public hearing for the Industrial Development Incentive Grant for Existing Industry.

Kara Brown presented the following Resolution for the Board's consideration.

**UPON MOTION** by Commissioner Robinson, the Board voted unanimously to adopt Resolution #2013-26.

**Motion to Appoint Assistant County Manager Martha Lide as the Interim County Manager effective July 1, 2013, to serve until a County Manager is selected, pursuant to NCGS 153A-84:** **UPON MOTION** by Commissioner Martin, the Board voted unanimously to appoint Assistant County Manager Marta Lide as the Interim County Manager effective July 1, 2013, to serve until a County Manager is selected, pursuant to NCGS 153A-84.

**Motion to Adopt Resolution #2013-25: A Resolution Amending the Fiscal Policy on Adequate Fund Balance and Working Capital in the Operating Funds - George Wood:** **UPON MOTION** by Commissioner Klein, the Board voted unanimously to adopt Resolution #2013-25: A Resolution Amending the Fiscal Policy on Adequate Fund Balance and Working Capital in the Operating Funds.

RESOLUTION #2013-25: A RESOLUTION AMENDING THE FINANCIAL POLICY ON  
ADEQUATE FUND BALANCE AND WORKING CAPITAL IN THE OPERATING FUNDS

THAT WHEREAS, sound financial management requires that Lincoln County preserve adequate financial reserves to cover cash flow variations, economic downturns, loss of revenues from state or federal actions, and new mandated services; and

WHEREAS, adequate financial reserves are one of the major components that bond rating agencies study in determining the creditworthiness of a county government, which can impact the interest rate on any debt issuance; and

WHEREAS, the Local Government Commission, a division of the NC State Treasurer's Office, will not allow the issuance of debt if adequate financial reserves are not maintained; and

WHEREAS, the Lincoln County Board of Commissioners have previously approved a financial policy on adequate reserves, and the County Manager is now recommending an amendment to that policy to increase the reserve target in the Medical Insurance Fund and establish one in the Workers Compensation Fund;

NOW THEREFORE BE IT RESOLVED by the Lincoln County Board of Commissioners that the attached document entitled "Financial Policy on Adequate Fund Balance and Working Capital", and the financial reserve targets established therein, are hereby adopted as the financial policy for Lincoln County on adequate financial reserves.

This resolution shall become effective immediately upon its adoption.

Passed and adopted this 17<sup>th</sup> day of June, 2013.

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### **Financial Policy on Adequate Fund Balance and Working Capital**

There are several reasons why a county should have an adequate amount of available fund balance in its major operating funds. First, some major revenue sources are not received uniformly over the twelve months. Also, there is a normal delay in converting accounts receivable to cash. Fund balance fills these gaps in cash flow. Second, the fund balance provides a contingency for unanticipated expenses. Third, it provides a means to temporarily replace revenues that may unexpectedly decline due to a poor economy, or that may be seized by the State to balance its budget in difficult times. Fourth, it provides a means to save money for a major project. Finally, it assures bond investors that the county can meet its debt service obligations. This is critical in obtaining favorable credit ratings for bond issues, thereby lowering interest costs.

There are five operating funds that should maintain adequate reserves: the General Fund, the Water and Sewer Fund, the Landfill Fund, the Health Benefits Fund, and the Workers Compensation Fund. NCGS 159-8 (a) defines "available fund balance for appropriation" as the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget year. The Local Government Commission (LGC), a division of the NC Treasurer's Office, requires that the General Fund's available fund balance at fiscal year-end divided by the expenditures budgeted in the same fiscal year, must not be less than 8%. Any county trending toward a lower level will be contacted to correct this problem. Any county falling below the 8% will not be allowed to issue any further debt.

As recently as FY 2008, the average amount of available fund balance for General Funds in NC counties with populations between 50,000 and 99,999 was 24.81%. Lincoln County believes that 15% is sufficient to meet our statutory, cash flow, and emergency needs in the General Fund, and hereby sets 15% as the target amount of available fund balance to be maintained in the General Fund.

The enterprise funds are accounted for using full accrual accounting, therefore fund balance is not appropriate. The measure in those funds should be available working capital. Working capital is defined as current assets minus current liabilities.

The Water and Sewer Fund and the Landfill Fund need sufficient working capital to meet recurring monthly expenses. These funds have fairly consistent cash flows. Lincoln County has determined that three months of working capital should be sufficient to meet our financial obligation in these two funds, and hereby sets a target of 25% working capital as a percentage of the last fiscal year's budgeted expenses.

The Health Benefits Fund can have a bad claims year in which total claims are not capped until 125% of estimated claims are paid. The 100% of estimated claims would be covered by the budget. Consequently, this fund should have working capital of at least 25%, but preferably at 50%, in order to cover this worst case scenario in a single year and not impact premiums.

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Lincoln County hereby sets a target of 50% working capital as a percentage of the last fiscal year's budgeted expenses for this fund.

The Workers Compensation Fund can also have a bad claims year that could exceed the premiums transferred in from those departments covering their employees. The County does have the ability to transfer in additional money from those other funds if necessary, so working capital of 25% should be sufficient. Lincoln County hereby sets a target of 25% working capital as a percentage of the last fiscal year's budgeted expenses for this fund.

In any fund where the percentage of available fund balance or working capital falls below the established target, the County Manager shall limit the appropriation of fund balance or retained earnings to no more than 2% of the total fund budget. This should result in rebuilding the reserves to the targeted percentages.

In the event that a severe economic downturn, or the seizing of county revenues by the State, result in a significant loss of anticipated revenues, the County Manager may recommend, and the Board of Commissioners may waive adherence to the 2% appropriation limitation. In such a situation, the Board should be fully informed that it is falling below its targets, and will continue to remain below them for at least another year by waiving this limitation.

The County Manager, with the assistance and advise of the Finance Director, is responsible for seeing that this policy is carried out in annual budget preparation and administration throughout the year. The County Manager is responsible further to make recommendations as to whether any of the established fund targets should be changed.

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**Discussion of Child Advocacy Center Funding for FY 2014 - George Wood:** Mr. Wood presented the following:

In late April, we learned that \$233,000 in State grant funding for the Child Advocacy Center (CAC) in Lincoln County had not been approved for 2013-14. We have been working hard to identify some immediate, temporary funding to allow the CAC to continue to provide services in our community, until grant funding is restored or the State. Sherry Reinhardt has been working closely with our representatives in the State Legislature to secure funding.

The CAC is working to meet the requirements to allow for Medical billing for a portion of their services. We are hopeful that up to \$89,000 of the lost funding can be made up through Medicaid billing for a portion of their services. The City of Lincolnton has agreed to allocate \$18,636 to the CAC. The City of Lincolnton residents account for approximately 13% of the CAC customers; the City's funding represents 13% of the lost funds that cannot be made up through the Medicaid funding. Lincoln County Schools also agreed to allocate \$20,000 in funds for the Child Advocacy Center in 2013-14.

Mr. Wood recommended that Lincoln County allocate \$105,000 to allow the Child Advocacy Center to continue operations in 2013-14. The 2013-14 Lincoln County Proposed Operating Budget includes a \$369,589 allocation to Partners Behavioral Health Management. The \$105,000 can come from a reduced allocation to Partners Behavioral Mental Health Management. There will be no impact on services, as we will utilize

\$105,000 of the estimated \$445,434 fund balance that is held at Partners for Lincoln County. This fund balance has accumulated from unused allocations from Lincoln County over the past several years. The revised allocation to Partners for 2013-14 from Lincoln County will be \$264,589.

While not all of the services provided by the CAC are mental health related, we believe that many of the services are critical mental health related/preventive services and therefore, use of these funds to support the CAC is justified. This will be a one-time use of fund balance and a full annual allocation to Partners is anticipated for 2014-15.

Sherry Rhinehardt

**Motion to Adopt Ordinance #2013-18: An Ordinance Adopting the Lincoln County Budget for Fiscal Year 2013-2014**

**Motion to Approve Lincoln County Airport Sewer - Change Order #1 - Don Chamblee**

**Motion to Approve Lincoln County Airport Sewer - Change Order #2 - Don Chamblee**

**Motion to Approve Galway Lane lowering and paving as recommended by the Public Works Director, contingent upon the financial contribution from the Lincoln Charter School - Don Chamblee**

**Motion to Approve Construction of a 60,000 square foot shell industrial building in the Airlie Business Park per the County Manager's recommendation - George Wood**

**Motion to Approve Lease Agreement with Community Health Partners - Martha Lide**

**Finance Officer's Report:** Deanna Rios presented the Finance Officer's Report.

**County Manager's Report:** Mr. Wood informed the Board of his plans to retire on June 30, 2013.

The Board praised Mr. Wood for his service to Lincoln County.

**County Attorney's Report:** Nothing reported.

**Vacancies/Appointments:** **UPON MOTION** by Commissioner Robinson, the Board voted to make the following appointments:

**Appointments:**

- Board of Equalization and Review – Alternate
  - Mike Baker
- DSS Board
  - JV Allen
- Gaston Community Action
  - Reappoint Devonda Friday
- Board of Animal Appeals
  - Bill S. Beam (LCSO)
  - Doug Murray

**Calendar:** Chairman Patton informed the Board of the Adopt a Cop picnic on May 1 at Betty Ross Park.

**Other Business:**

**Closed Session:** **UPON MOTION** by Commissioner Mitchem, the Board voted unanimously to enter into Closed Session Pursuant to N.C.G.S. 143-318.11

(a) (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. General policy matters may not be discussed in a closed session and nothing herein shall be construed to permit a public body to close a meeting that otherwise would be open merely because an attorney employed or retained by the public body is a participant. The public body may consider and give instructions to an attorney concerning the handling or settlement of a claim, judicial action, mediation, arbitration, or administrative procedure. If the public body has approved or considered a settlement, other than a malpractice settlement by or on behalf of a hospital, in closed session, the terms of that settlement shall be reported to the public body and entered into its minutes as soon as possible within a reasonable time after the settlement is concluded.

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Amy S. Atkins, Clerk  
Board of Commissioners

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Alex E. Patton, Chairman  
Board of Commissioners