

MINUTES
LINCOLN COUNTY BOARD OF COMMISSIONERS
MONDAY, MAY 19, 2014

The Lincoln County Board of County Commissioners met May 19, 2014 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:

W. Tracy Jackson, 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 May 19, 2014 meeting of the Lincoln County Board of Commissioners to order. Commissioner Robinson gave the Invocation and led in the Pledge of Allegiance.

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

AGENDA
Lincoln County Board of Commissioners Meeting
Monday, May 19, 2014
6:30 PM

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

Call to Order

Invocation – Commissioner Robinson

Pledge of Allegiance

1. Adoption of Agenda
2. Consent Agenda
- Approval of Minutes

- EMS Week Resolution
- Sheriff's Office Vehicle Purchase Request
- Surplus Property
- Sheriff's Office Purchase Orders
- Waived fees - The Nutcracker
- Sponsored Group Status - Fraternal Order of Police

3. Planning Board Recommendations - Randy Hawkins
 - CUP #335 Doyle and Sheri Boyles, applicants (Parcel ID# 56092)
 - CUP #336 PMRS, LLC, applicant (Parcel ID# 87619)
 - CUP #337 Marni Carpenter, applicant (Parcel ID# 71438, 74799 and 74798)
 - PCUR #162 Jeff Wilkinson, applicant (Parcel ID# 23024)
4. Public Comments (15 minutes allowed per Rules of Procedure - 3 minutes per person)
5. Opportunity for Public Input - Dedication of the Rock Springs Nature Preserve in Honor of Sylvia Holmes - Erma Deen Hoyle
6. Approval of Contract Award for Generator Service - Martha Lide
7. Collaboration Contract with Duke Energy for Collocation on the radio tower at 560 Sigmon Road - Martha Lide
8. Budget Presentation - Tracy Jackson
9. Library Board Request - Rebecca Powell
10. Finance Officer's Report
11. County Manager's Report
12. County Commissioners' Report
13. County Attorney's Report
14. Vacancies/Appointments
15. Calendar
16. Other Business
 - Register of Deeds Report
 - Property Tax Collection Report

Recess to May 23, 2014 at 12:00 p.m. for a Budget Work Session

UPON MOTION by Commissioner Martin, the Board voted unanimously to adopt the agenda removing Item 10 – Finance Officer's Report.

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

- Approval of Minutes
- EMS Week Resolution
- Sheriff's Office Vehicle Purchase Request
- Surplus Property
- Sheriff's Office Purchase Orders
- Waived fees - The Nutcracker
- Sponsored Group Status - Fraternal Order of Police

Recommendations from Planning Board:

Randy Hawkins presented the following recommendations:

CUP #335 Doyle and Sheri Boyles, applicants (Parcel ID# 56092) A request for a conditional use permit to place a Class C (singlewide) manufactured home in the R-S (Residential Suburban) district. The 1.8-acre parcel is located on the northeast corner of N.C. 27 and Jake Seagle Road in North Brook Township.

The Planning Board voted 6-0 to recommend approval.

UPON MOTION by Commissioner Robinson, the Board voted 4 – 0 (Martin recused) to approve CUP #335 – Doyle and Sheri Boyles., applicants and the Findings of Fact submitted by the Planning Board.

CUP #336 PMRS, LLC, applicant (Parcel ID# 87619) A request for a conditional use permit to operate a kennel in the I-G (General Industrial) district. The 6.15-acre parcel is located on the north side of Natalie Commons Drive about 800 feet west of N.C. 16 Business in Catawba Springs Township.

The Planning Board voted 6-0 to recommend approval.

Commissioner Martin asked to recuse herself from voting since she was not present for the public hearings.

All Board members disclosed the receipt of letters and emails on this matter.

Commissioner Klein said he was puzzled by the fact that the property that is now vacant between the commercial lot/church and the Villages of Denver is a combination of IG and R-SF zoning. He said it didn't make a lot of sense to him that it should be this way given it is an entrance to a community. He asked Mr. Hawkins to share some background.

Mr. Deaton advised the Board that since the hearing portion is closed, Mr. Hawkins could comment on the rules and the ordinances, but couldn't bring in the facts such as that.

Commissioner Mitchem asked Randy if it is a fact that where this is going to be located at the entrance to the Villages of Denver. Mr. Hawkins said that it is one of the ways to go to the Villages of Denver. (Mr. Deaton said since this fact had been stated in the record, it could be restated).

Commissioner Mitchem said the hearing has already been so he asked Mr. Deaton if any questions could be asked. Mr. Deaton answered that they cannot ask questions to try and elicit facts.

A MOTION by Commissioner Robinson to approve CUP #336 – PMRS, LLC, applicant and the Findings of Fact submitted by the Planning Board.

Discussion:

Commissioner Klein said he is really interested in what his colleagues have to say on this matter. He said this has been a difficult one because both parties made a very good case, as did the Planning Department. He said what does bother him is that we require a conditional use permit in an IG district for something like a dog kennel. He said if it were in R-SF, it would probably not be allowed. He said the standard suggests that this one be voted on. He said the traffic and noise issues that were spoken to, he certainly appreciate that. He said as far as traffic goes, something will go there, someone will build something. He said it is unfortunate that the developer or the nearest restaurant owner did not speak at the hearing 2 weeks ago.

Commissioner Robinson went out there and walked the property and it is very dense woods. He said on the right side of the road, it is a long way to any houses. He said on the left side it is over 1,000 feet to those houses on the left side of the road. He said that kennel could be put in there and you would never even be able to see it, those woods are so thick, if they wanted to do that. Commissioner Robinson said Duke has a right of way that cuts through there too. He said he does not think the noise will be a problem.

Randy Hawkins said this property is zoned IG so most any type of manufacturing, assembly, distribution center, a race car shop, body shop, auto repair are some of the uses allowed.

Commissioner Robinson asked if based on the site plan if the applicant will have to leave the trees in place.

Mr. Hawkins said they will have to maintain a buffer that is sufficient. He said on the site plan they did indicate that they may expand into some of that area, but it is staff's interpretation that if they wanted to expand into that tree area, they would have to come back before the Board. He said leaving the tree buffer could be a condition, but no conditions were placed by the Planning Board.

Commissioner Mitchem said the applicant could cut down those trees if he wanted to.

Commissioner Mitchem said the rest of the Board, who voted not to approve the solar farm that had no traffic, no noise whatsoever and the Board voted against it. He said now there is something with no buffer and no conditions put on this. He said if the Commissioners voted to deny that solar farm, they ought to stay in character with decisions of the past and vote against this. He asked if this had been Sailview if the Board would have voted against it or for it.

VOTE: 3 – 1

AYES: Robinson, Klein, Patton

NOES: Mitchem
(Martin recused)

CUP #337 Marni Carpenter, applicant (Parcel ID# 71438, 74799 and 74798) A request for a conditional use permit to operate a bed and breakfast in the R-SF (Residential Single-Family) district. The 9.6-acre site is located at 2800 Laboratory Road, on the west side of Laboratory Road at South Fork Road, in Lincolnton Township.

The Planning Board voted 6-0 to recommend approval.

UPON MOTION by Commissioner Klein, the Board voted 4 – 0 (Martin recused) to approve CUP #337 – Marni Carpenter, applicant and the Findings of Fact submitted by the Planning Board.

PCUR #162 Jeff Wilkinson, applicant (Parcel ID# 23024) A request for a parallel conditioning use rezoning of a 0.45-acre parcel from R-S (Residential Suburban) to CU B-G (Conditional Use General Business) to permit servicing and sales of vehicles. The property is located at 103 Finger St., on the west side of Finger Street about 250 feet north of N.C. 27, in Ironton Township.

The Planning Board voted 6-0 to recommend approval.

UPON MOTION by Commissioner Robinson, the Board voted 4 – 0 (Martin recused) to approve the Statement of Consistency and Reasonableness for PCUR #162 as presented.

UPON MOTION by Commissioner Kline, the Board voted 4 – 0 (Martin recused) to approve the rezoning request.

UPON MOTION by Commissioner Robinson, the Board voted 4 – 0 (Martin recused) to approve PCUR #162 based on the Findings of Facts presented by the Planning Board.

Public Comments: Chairman Patton opened public comments. Being no speakers, Chairman Patton closed public comments.

Opportunity for Public Input – Dedication of the Rock Springs Nature Preserve in Honor of Sylvia Holmes: Erma Deen Hoyle presented the following:

The Lincoln County Parks & Recreation Commission met on May 7, 2014 and unanimously approved the dedication of the Rock Springs Nature Preserve in honor of Sylvia Holmes, in recognition of her hard work and extensive volunteer hours in the development of parks and recreation facilities for Lincoln County, including the East Lincoln Community Center, Beatty's Ford Park, and Rock Springs Nature Preserve.

Chairman Patton opened the public input for dedication of the Rock Springs Nature Reserve. No one spoke.

Approval of Contract Award for Generator Service: John Henry, Purchasing Agent, said on March 26 he issued an RFP for county wide generator service. The RFP asked for pricing on two levels of Preventative Inspection and Maintenance, Estimated Additional Service and Repairs for routing and after hours calls, Additional Parts markup percent, Load Bank Testing and Laboratory Oil Sample. The county received proposals from 5 companies on May 6, 2014.

The bid tab and lowest vendor was Power Pro Tech at \$101,710.76 and he requested the Board approve this contract for an initial term of 2 years.

Commissioner Mitchem said this information was not in his packet.

A MOTION by Commissioner Martin to approve the contract award for generator service as presented by Mr. Henry.

Commissioner Robinson agreed with Commissioner Mitchem that he didn't have this information and thinks the Board needs these bids before approving.

Commissioner Martin rescinded the motion.

UPON MOTION by Commissioner Martin, the Board tabled this item until the next meeting.

Collaboration Contract with Duke Energy for Collocation on the radio tower at 560 Sigmon Road: Martha Lide presented the following:

It is recommended that the Board approve the collocation contract with Duke Energy to provide antenna space for their two way radio that is used to communicate with McGuire Nuclear Station. This will provide the County with a revenue stream from the tower to offset utility and maintenance cost. The lease is for 5 years at a fee of \$1,273.37 per month (\$15,280.44 per year) the first year, with a 5% increase per year for each successive year of the initial term and any renewal.

Commissioner Robinson asked to be recused from voting on this matter since he is employed by Duke Energy.

UPON MOTION by Commissioner Klein, the Board voted unanimously to approve the contract as presented by Martha Lide.

Budget Presentation: Tracy Jackson presented the following budget message:

I present for your consideration the proposed FY 2015 Budget for Lincoln County. What follows is a description of the revenues and expenditures being recommended for the Fiscal Year (FY) 2015 starting July 1, 2014 and ending June 30, 2015. The total amount being requested is \$88,701,584 which is a 1% increase (\$836,304) over FY 2014. The Unassigned Fund Balance is anticipated to be similar to FY14 at \$11,644,997 which is 13% of the total proposed budget for FY15.

Budget Assumptions:

In preparing this Budget and the Capital Improvements Program (CIP), Staff relied upon a number of assumptions that were critical to projecting revenues and expenditures and developing the CIP. Please recall that the budget is a planning document, and not every issue can be anticipated prior to the adoption of the budget. Therefore, it is necessary to base the budget on certain assumptions. If changing circumstances affect those assumptions, the budget can be adjusted during the fiscal year.

The assumptions used in preparing the FY 2015 Budget were:

- The economy will show gradual improvement throughout the fiscal year somewhere in the 1-2% range.
- Inflation will remain similar to recent years with a slight increase in 2015.
- Revenues were projected from a conservative, but realistic, perspective and are not overly optimistic or pessimistic.
- A property tax collection rate of 97.55% with a 1% increase over FY 2014. The three local option sales taxes are projected to increase 1 – 2% over FY 2014.
- An ad valorem (property) tax rate of \$0.598 per \$100 of assessed valuation (same as FY14). Please see the chart on the next page containing information collected by the North Carolina Association of County Commissioners (NCACC). It shows Lincoln County's current tax rate of \$0.598 compared to adjoining counties and similar NC counties. ***Among adjoining counties, we have the 3^d lowest tax rate. Among similar counties, we have the 4th lowest tax rate.*** In other words, Lincoln County enjoys a much lower property tax rate than many of our neighboring counties and other counties to which we compare.
- Assumes that adequate, available fund balances will be maintained in all operating funds.
- All Proprietary (Enterprise) Funds will be self-supporting without assistance from the General Fund.
- Fees & Miscellaneous Revenues will remain unchanged except for proposed adjustments to certain Solid Waste Fees.
- A recommended tax rate of \$0.0342 per \$100 of assessed value for the East Lincoln Water & Sewer District. This is a decrease from \$0.0359 per \$100 of assessed valuation in FY14 as per projections previously called for.
- Merit Increase: Assumes a 2.5 % merit increase for employees, and assumes that new employees will continue to be eligible for probationary increases of 2.5% during the fiscal year.

- Assumes that there will be a six and one-half percent (6.5%) increase in the County's portion of medical insurance premiums for the PPO and the HSA Plan. I have proposed the County absorb the increase in the FY15 premium cost for our employees in FY 2015. I have advised our employees that this may not be possible in future years, and they may be asked to share in this expense.
- Fuel will average \$3.50 per gallon on the open market. The County pays about \$.56 less than that due to its sales tax exemption.
- State support for the Board of Education, Department of Social Services, and the Public Health Department will vary little from the past.

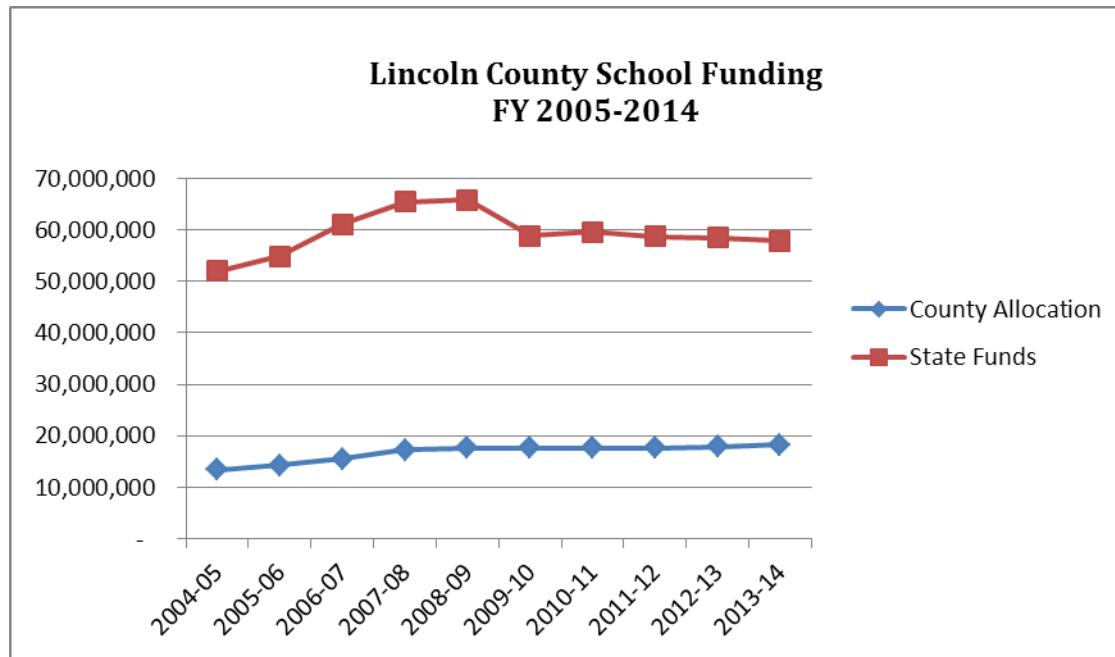
Budget Highlights:

There were a variety of issues impacting the proposed FY 2015 Budget for Lincoln County. These include:

- Capital Requests: There were numerous requests for CIP items in FY15 and some are being recommended while others are not. Facility, vehicle, and technology-related requests received the highest priority with even some of those needs being delayed if waiting was seen as not being detrimental to the department or its service. The largest projects include proposed renovations to the Old Hospital, Warren Building, and Courthouse (\$17,000,000); and the expansion and closure of landfill cells (\$3,190,000).
- Personnel Requests: There were a total of twenty-two (22) requests for new positions across the County and five (5) reductions in force (RIF). The RIF's are planned for the Home Health Agency (4 positions) and the Register of Deeds (1 position) and will occur prior to June 30, 2014. A total of eleven (11) new positions are being recommended:
 - Two (2) Investigator Positions for the Sheriff's Office
 - Two (2) EMT-Paramedic positions for EMS to reduce number of part-time positions and associated costs
 - One (1) Development Technician for Planning and Inspections
 - Two (2) Social Workers and two (2) Income Maintenance Caseworkers at DSS
 - One (1) Assistant Supervisor and one (1) Adoptions/Rescue Coordinator at Animal Services
- Healthcare Costs and the Affordable Care Act: Lincoln County will again offer two different health insurance plans for our employees 1) the PPO and 2) the HSA. We will be switching to Ameritas Dental instead of BCBS of NC due to changes in claims processing and reimbursement on the part of BCBS. As a plan, we will see increased health insurance costs in FY15 due to our experience with

high claims and employer mandates associated with the affordable care act. Overall, we anticipate costs to be 6.5% higher than the current plan year and have budgeted accordingly.

- Employee Compensation: The Board requested that Staff look at the possibility of providing a 2.5% merit pay plan in FY15. This has been included at an estimated cost of \$500,000.
- Solid Waste Landfill Cell Closure & New Cell Opening: Required opening of new landfill cells, and closing of older cells, at the currently permitted site in Crouse is estimated at approximately \$3.2 million over the next several years. This amount will need to be funded through COPS financing. Certain Solid Waste fees will need to be adjusted in an attempt to address this pending expense.
- Education Funding: Staff again used the established funding formula agreed upon by the County and School Board. This resulted in a slight increase in local funding of current expense and capital outlay over the prior year. Local funding has remained constant and *has not* decreased over the last several years, while unfortunately funding from the State has diminished (see chart below). If adopted, the recommended amount of school operating expense, capital expense and debt service will constitute 34% of the County Budget in FY15.



- County Fire Districts: Calls for tax rates to remain unchanged except for proposed increases at the East Lincoln VFD (from \$0.0785 to \$0.0850) and North 321 VFD (from \$0.0350 to \$0.0400 cents), and a proposed decrease in tax rate at the Pumpkin Center VFD (from \$0.0938 to \$0.0900 cents).

Conclusion:

I want to thank the Board of Commissioners for your support and guidance in the preparation of the FY 2015 Proposed Budget. Your comments and directions from the 2013 Budget Planning Retreat were taken into consideration and incorporated into this budget proposal.

I also want to recognize the numerous hours of staff time that have gone into the preparation of this Budget. In particular, many thanks to Assistant County Manager Martha Lide and Finance Director Deanna Rios for their work on this document. I also want to acknowledge the Finance, Human Resources, and IT departments for their work assembling the information and projecting preliminary revenues and expenditures. Every department head developed not only a requested operating budget, but a projection of capital needs. They and their staffs are to be commended for their work. I thank them all for their efforts and timeliness in completing the necessary budget and CIP documents. It is truly a team effort, and I am grateful to have such a dedicated and professional staff.

Copies of the proposed Budget and Capital Improvements Program will go on file in the County Clerk's Office on May 19, 2014. The Public Hearing on the Budget is scheduled for June 2, 2014, and the adopting Ordinance will be on the Board of Commissioners Meeting Agenda for June 16, 2014. It will go into effect on July 1, 2014, subject to any changes that you might make in its adoption. Please let me know if I can provide any further information as you review the proposed FY15 Budget and Capital Improvements Program.

Respectfully submitted,

W. Tracy Jackson
County Manager

Library Board Request: Rebecca Powell, Library Board Chair, presented the Board with a request to consider permanent space for a West Lincoln Branch Library. She asked for planning to begin on this facility. She asked for the \$20,000 requested by Jennifer Sackett to start the process to be placed back in the budget, \$10,000 this year and \$10,000 next year. She said in reviewing the bylaws for the Library, they were surprised to learn that there are not backgrounds done on Library staff. She said they feel that all Library staff and volunteers should have criminal background checks.

County Manager's Report: Nothing reported.

County Attorney's Report: Nothing reported.

County Commissioners' Report: Commissioner Klein reported on Governor McCrory's proposed budget including worker's comp for state funded employees and community college costs for state employees.

Vacancies/Appointments:

Commissioner Robinson presented the following vacancies:

- Nursing and Adult Home Community Advisory Committee
- Lincoln Natural Resources
- Industrial Revenues Bond Board
- Centralina Economic Development Commission (CEDC)
- Local Fireman's Relief Fund:
 - o Boger City
 - o South Fork
 - o North 321
 - o North Brook
 - o Ore Bank Pumpkin Center
- Board of Equalization and Review Alternate
- Planning Board – Howard's Creek

UPON MOTION by Commissioner Robinson, the Board voted unanimously to reappoint Panico Peres to the Centralina Workforce Development Board.

Other Business:

Closed Session: **UPON MOTION** by Commissioner Klein, the Board entered Closed Session Pursuant to NCGS § 143-318.11. Closed sessions. 1) To prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes and 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 Board returned to open session and Chairman Patton announced that no action was taken in Closed Session.

Recess: UPON MOTION by Commissioner Robinson, the Board voted unanimously to recess until May 23, 2014 at 12 p.m. in the Board of Commissioners Room for a Budget Work Session.

Amy S. Atkins, Clerk
Board of Commissioners

Alex E. Patton, Chairman
Board of Commissioners