

MINUTES
LINCOLN COUNTY BOARD OF COMMISSIONERS
MONDAY, JANUARY 22, 2007

The Lincoln County Board of County Commissioners met in regular session on January 22, 2007 at the Citizens Center, Commissioners Room, 115 W. Main Street, Lincolnton, North Carolina, the regular place of meeting, at 6:30 P.M.

Commissioners Present:

Thomas R. Anderson, PE, Chairman
Alex E. Patton, Vice Chairman
Bruce Carlton
James A. Klein
Marie Moore

Others Present:

Stan B. Kiser, County Manager
Jeffrey A. Taylor, County Attorney
Amy S. Atkins, Clerk to the Board
Kelly Atkins, Director of Building and Land Development
Randy Hawkins, Zoning Administrator
Candi Cornwell, Associate Zoning Administrator
Andrew Bryant, Planner
Stacy Yates, Associate Planner
Rick McSwain, Director of Soil and Water
Maggie Dollar, Director of Health
Steve Gilbert, Director of Public Works
Leon Harmon, Director of Finance

Call to Order: Chairman Anderson called the January 22, 2007 meeting of the Lincoln County Board of Commissioners to order.

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

AGENDA

LINCOLN COUNTY BOARD OF COMMISSIONERS

JANUARY 22, 2007

6:30 PM	Call to Order
6:31 PM	Invocation – Reverend J. V. Allen Boger City Wesleyan
6:34 PM	Pledge of Allegiance

1. 6:35 PM Adoption of Agenda
2. 6:37 PM Consent Agenda
 - Approval of Minutes
 - January 8, 2007
 - Budget Adjustments No. 51 - 53
 - Waived fees (or Sponsored Group Status)
 - Lovely Holy Temple Apostolic Church
 - Request from DSS for Additional Social Worker
3. 6:40 PM Public Comments
4. 6:55 PM Planning Board Recommendations
 - PCUR #150 - Tim Norman, applicant
 - WSCUP #10 - Westport Lakeside No. 2 LLC, applicant
5. 7:10 PM Public Hearing – Soil Erosion and Sedimentation Control Ordinance – Rick McSwain
6. 7:25 PM Public Hearing and Approval of Resolution for SABO Industrial Development Revenue Bonds
7. 7:35 PM Resolution in Support of Local Fees for Food and Lodging Program – Maggie Dollar
8. 7:45 PM Resolutions
 - Fund Balance Policy
 - Debt Reduction Policy
9. 7:55 PM 2006 – 2007 Budget Adjustments
10. 8:05 PM Amendment No. 4 for Westport Water Lines – Phase 2
11. 8:10 PM Capital Project Reports – Steve Gilbert
12. 8:15 PM Finance Officer's Report
13. 8:20 PM County Manager's Report
14. 8:25 PM County Commissioners' Report
15. 8:30 PM County Attorney's Report
16. 8:35 PM Calendar

17. 8:40 PM Vacancies/Appointments

18. 8:45 PM Other Business

19. 8:50 PM Closed Session

Adjourn

UPON MOTION by Commissioner Klein, the Board voted unanimously to adopt the agenda adding 2 items under other business concerning Building and Land Development and Board of Adjustment.

Consent Agenda:

- Approval of Minutes
 - January 8, 2007
- Budget Adjustments No. 51 - 53
- Sponsored Group Status
 - Lovely Holy Temple Apostolic Church
- Request from DSS for Additional Social Worker

UPON MOTION by Commissioner Patton, the Board voted unanimously to approve the consent agenda with sponsored group status for Lovely Holy Temple Apostolic Church.

Public Comments: Chairman Anderson advised that this was the time the Board of Commissioners would receive comments from the citizens regarding any matter they desired to address.

Martin Oakes, spoke concerning the third world trailer park wreck on Unity Church Road. He presented pictures of this trailer park, which is in an area where Mr. Dellinger is supposed to be developing a new facility and all of these homes are vacant and most are unlocked. He stated that there are two issues, penalties at \$25 per day, per parcel (2 parcels) are inadequate, it should be on each mobile home lot. He stated that we all failed to think about what would happen to the old stuff before approving this. He said the Board should think about this in the future.

Being no additional speakers, Chairman Anderson declared the Public Comments section closed.

Planning Board Recommendations:

Parallel Conditional Use Rezoning #150 Tim Norman, applicant: The Planning Board PB voted 8-0 to recommend the request be denied.

UPON MOTION by Commissioner Patton, the Board voted unanimously to concur with the Planning Board and deny the request, accepting their recommendation as presented and Statement of Consistency for Parallel Conditional Use Permit No. 150 – Tim Norman applicant.

Watershed Conditional Use Permit #10 Westport Lakeside No. 2 LLC, applicant:
The Planning Board voted 8-0 to recommend approval.

Randy Hawkins stated that there were no special conditions, but staff would propose one condition that an annual inspection fee be paid in accordance with the fee schedule adopted by the Board of Commissioners. If this is approved, the county is required to conduct an annual inspection and this cost would be passed along to the developer and later to the homeowner's association.

Commissioner Klein asked what would happen if an issue was found.

Randy Hawkins stated that we will notify the owners of the structure and order them to repair it. If they do not, they are in violation of the Conditional Use Permit and the agreement that will be signed insuring that they comply with the maintenance plan.

Commissioner Carlton stated that water runoff will be directed into retention ponds, to retention ponds, to a retention pond on the golf course. The same property owner owns this property that owns the golf course.

Commissioner Klein asked Mr. Hawkins to remind him of the low density option percentage. Randy Hawkins stated that the low density option allows a built upon area of up to 24% and the high density option up to 50%, this project is about 35% built upon area.

Commissioner Klein asked if the condition was brought up at the Planning Board meeting. Mr. Hawkins said that he forgot to bring it up then, but does not think they would have a problem with it.

FINDINGS OF FACT

Application # WSCUP #10 **Date: January 8, 2007**

Applicant Name Westport Lakeside No. 2, LLC

Applicant Address P.O. Box 9007, Greensboro, NC 27401

Property Location Fairfield Forest Road Existing Zoning P-MU

Proposed Conditional Use high-density option

1. The use will not materially endanger the public health or safety if located where proposed and developed according to plan. YES NO

FACTUAL REASON CITED: based on testimony about stormwater plans

UPON MOTION by Commissioner Klein, the Board voted unanimously to approve condition 1 with the factual reason cited.

2. The use meets all required conditions and specifications. YES NO
FACTUAL REASON CITED: based on independent technical review; erosion control plan reviewed and approved by state.

UPON MOTION by Commissioner Patton, the Board voted unanimously to accept condition 2 with the factual reason cited.

3. The use will not substantially injure the value of adjoining or abutting property unless the use is a public necessity. YES _____ NO _____

FACTUAL REASON CITED: will probably raise the value

UPON MOTION by Commissioner Carlton, the Board voted unanimously to accept condition 3 with the factual reason cited.

4. The location and character of use, if developed according to the plan as submitted and approved, will be in harmony with the area in which it is to be located and will be in general conformity with the Land Use Plan for the area in question.

FACTUAL REASON CITED: consistent with Land Use Plan; issues with stormwater won't impact the community

UPON MOTION by Commissioner Klein, the Board voted unanimously to accept condition 4 with the factual reason cited.

After having held a Public Hearing on January 8, 2007 and in light of the Findings of Facts listed herein the following action was taken by the Lincoln County Planning Board: voted 8-0 to recommend approval.

UPON MOTION by Commissioner Moore, the Board voted unanimously to approve the following condition: Annual inspection of stormwater control structures will be conducted by the county with a fee set by the county annually that will be paid by the owner of those stormwater control structures.

UPON MOTION by Commissioner Klein, the Board voted unanimously to accept the Planning Board's recommendation to approve WCUP #10.

Public Hearing – Soil Erosion and Sedimentation Control Ordinance – Rick McSwain: Rick McSwain presented the Soil Erosion and Sedimentation Control Ordinance. He stated that in June a committee was put together to look at three issues: sediment erosion, buffering of streams, and stormwater issues. The Committee came up with a draft ordinance, which was presented to the Board in August and sent to the state for review. The Division of Land Resources, Land Quality Section, has reviewed it along with the Attorney General's office and have made comments, which were taken into consideration to make changes to the current document. If this is approved, it will go to the Sediment and Erosion Commission in February and they will either accept or deny the county taking over this.

Commissioner Klein stated that under Section 8 on page 12, it says that efforts should be made not to uncover more than 20 acres at any one time. If more than 20 acres are to be uncovered, the conditions are listed. He asked the Board to consider changing item 8 to indicate that 20 acres uncovered at any one time would be a maximum, allowing the developer to go to this review board and make their case if they want to do more.

Commissioner Klein stated that he would also like the Committee to review this request. Rick McSwain stated that if there is a maximum of 20 acres disturbed, there will be less possibilities of detriments to their streams and less work on staff reviewing big plans.

Commissioner Klein asked Rick McSwain to take this back to his committee.

Rick McSwain said his targeted effective date is May 1 and he would like to have workshops to inform the public of these changes. He said that the committee unanimously supported the ordinance.

Chairman Anderson declared the public hearing on the Soil Erosion and Sedimentation Control Ordinance open.

Cynthia Jones, speaking on behalf of the Catawba River Foundation and as a member of Lincoln Natural Resources Committee, stated that sedimentation of waterways due to poor construction practices, destruction of stream and lakeshore buffers and the loss of pervious surfaces are all issues that really affect water. She stated that she believes this ordinance will be a first step in protecting the water and she is very pleased. She stated that she is disappointed that the committee chose not to include lakeshore buffer protection and she hopes this will be followed up as soon as possible.

Jeff Faucette thanked the Board and encouraged them to continue board and encouraged them to continue with this process. He stated that it's very important to maintain the quality of the natural resources in Lincoln County. He said the in the past few years, the silt has gotten a lot worse in his cove.

Jerry Geymont, contractor, stated that he applauds what we're trying to do, but has concerns about the 20 acre limit. He stated that he worries about the impact on industrial growth.

Being no speakers, Chairman Anderson declared the public hearing closed.

Commissioner Moore asked if there can be exemptions to allow for industrial. Commissioner Patton asked if industrial could be exempted from this, since industrial will not be built on the lake.

Commissioner Klein stated that the Board needs to pass judgment on what is before them and can ask Mr. McSwain to take the 20 acre requirement back before the Committee, along with the notion of requiring fees rather than considering fees.

Chairman Anderson stated that he wants to make it clear that commercial and industrial sites are exempt from this 20 acre limitation. He stated that an office park would be commercial and would be more than 20 acres disturbed.

UPON MOTION by Commissioner Klein, the Board voted to adopt the Ordinance as written, effective May 1, 2007.

Discussion:

Chairman Anderson stated that if the motion is made to adopt the ordinance as presented, for purposes of moving it to the state level for review and subject to certain specific revisions as it relates to the application of this ordinance to commercial and industrial projects, he can live with that.

Commissioner Patton asked if this will have to be sent back to the state if it is changed. Rick McSwain said it was his understanding that it would need to be sent back if there were changes.

Commissioner Patton asked if on page 6, section 4, item a, (ordinance shall not apply to the following land developing activities) a number 7 could be added to the list any commercial or industrial uses. Jeff Taylor suggested adding it as item f.

Commissioner Carlton asked if the whole ordinance would be null and void to commercial and industrial if this was added.

Commissioner Patton stated that this is not what the Board would want to do.

Commissioner Klein stated that it seems that the concerns are covered in the ordinance, because if you need to disturb more than 20 acres, you can do it with extra precautions taken.

Chairman Anderson

UPON MOTION, by Commissioner Klein, the Board voted unanimously to ask the committee to revisit section 9, item 8 as it relates to the 20 acres, keeping in mind the industrial/commercial limitations we may have or single tracts larger than 20 acres and revisit section 10, item b which refers to the fees and report back to the Board (that activity would be concurrent with the approval process just approved).

Public Hearing and Approval of Resolution for SABO Industrial Development

Revenue Bonds: Chairman Anderson opened the public hearing concerning SABO's Industrial Revenue Bonds. Being no one wishing to speak, Chairman Anderson declared the public hearing closed.

Chairman Anderson introduced the following resolution, the title of which was read:

APPROVAL IN PRINCIPLE OF INDUSTRIAL
PROJECT FOR SABO USA, INC. AND THE
FINANCING THEREOF WITH INDUSTRIAL
DEVELOPMENT REVENUE BONDS IN THE
PRINCIPAL AMOUNT OF UP TO \$10,000,000

WHEREAS, The Lincoln County Industrial Facilities and Pollution Control Financing Authority (the "Authority") has agreed to assist in the financing under the North Carolina Industrial and Pollution Control Facilities Financing Act (the "Act") of an industrial project by Sabo USA, Inc., or a related or affiliated entity (the "Company"), which plans to acquire, construct and equip an approximately 40,000 square foot facility to be used for the manufacture of automotive parts (the "Project") in Lincoln County Industrial Park, Lincolnton, Lincoln County, North Carolina and has indicated that agreement by the execution of an Inducement Agreement between the parties dated March 7, 2006; and

WHEREAS, under G.S. § 159C-7 each project must be approved by the Secretary of the Department of Commerce and, under Article 51B of Chapter 143 of the North Carolina General Statutes, the Federal Tax Reform Allocation Committee must allocate a sufficient amount of North Carolina's "private activity bond limit," as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the "Code") to the financing; and

WHEREAS the Act and the Rules and Procedures of the North Carolina Department of Commerce require that the governing body of a county approve in principle any project to be financed under the Act; and

WHEREAS, this Board of Commissioners today has held a public hearing with respect to the advisability of the Project and the issuance of bonds therefor, as evidenced by the Certificate and Summary of Public Hearing attached hereto as Exhibit A; and

WHEREAS, the Authority intends to issue its Industrial Development Revenue Bonds (Sabo USA, Inc. Project), Series 2007 (the "Bonds") in the principal amount of up to \$10,000,000 which is expected to be secured by a letter of credit issued by a United States bank; and

WHEREAS, Section 147(f) of the Code requires that the Board of Commissioners approve the plan of financing for the bonds; and

WHEREAS, under Section 159C-4 of the Act the issuance of bonds under the Act must be approved by the governing body of the county in which the project to be financed under the Act is located;

NOW, THEREFORE, the Board of Commissioners of Lincoln County, meeting in regular session at Lincolnton, North Carolina, on January 22, 2007, does the following:

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS FOR LINCOLN COUNTY:

The proposed "industrial project" consisting of the acquisition, construction and equipping of a facility to be used for the manufacture of automotive parts in Lincoln County and the issuance of bonds in an amount not to exceed \$10,000,000 therefor are hereby approved in principle.

The Board of Commissioners hereby requests the Federal Tax Reform Allocation Committee to allocate up to \$10,000,000 of North Carolina's 2007 "private activity bond limit," as defined above for the financing of the Project.

The Board of Commissioners hereby approves the plan of financing as required by Section 147(f) of the Code.

The issuance of the Bonds in the principal amount of \$10,000,000 is hereby approved for purposes of Section 159C-4 of the Act.

Commissioner Patton moved the passage of the foregoing resolution and Commissioner Klein seconded the motion, and the resolution was passed by the following vote:

Ayes: Commissioners Anderson, Moore, Patton, Klein, Carlton

Nays: None

* * * * *

Resolution in Support of Local Fees for Food and Lodging Program – Maggie

Dollar: Maggie Dollar presented the Resolution in Support of Local Fees for Food and Lodging Program. This resolution is being presented to boards of health and commissioners throughout the state to determine the levels of consensus for allowing local Boards of Health to set fees for the Food & Lodging Program (with Commission approval) This information will be presented to the General Assembly in the spring session.

Inspection of all food and lodging establishments that serve food to the public for pay is a state-mandated duty carried out by local Health Department Environmental Health Specialists (Registered Sanitarians). But we have never been able to charge the business for it, and it is a large expense to the County and taxpayer. Counties are thus expending a lot of local resources on a state mandated program without the legal authority to generate revenues to help offset the cost of the service.

Per N.C.G.S. 130A-39 (g), local boards of health are allowed to set permit fees for our other Environmental services...On-site (septic), wells, swimming pools, tattoo parlors, water testing, and plan review, but historically, counties have never been authorized to set local fees for mandated food and lodging inspections. The only cost to the food establishments is \$50 per year, a “registration fee” DENR charges and collects, passing down only one-third of that amount to health departments who meet 100% compliance rates. For instance, in Lincoln County, it currently costs over \$125,000 per year for our Food and Lodging Inspection program yet the state only reimbursed the agency \$6,506 last year.

What the NC Association of Local Health Directors and DENR would like to propose to the General Assembly is that the \$50 state fee be dropped and instead, that local Boards of Health be authorized to set and collect their own fees, which would vary from county-to-county based on local costs and number of establishments.

Commissioner Patton wanted to make sure the fee would not be set too high. Ms. Dollar stated that the fee would be set by the Commissioners.

Commissioner Klein stated that he likes the notion of fees paying for services.

Commissioner Patton raised concerns that if the fees in Lincoln County are higher than surrounding counties, the restaurants may go elsewhere.

UPON MOTION by Commissioner Klein, the Board voted unanimously to support the Resolution as presented.

**RESOLUTION IN SUPPORT OF LOCAL FEES FOR
FOOD AND LODGING**

WHEREAS, the State of North Carolina mandates that local government provide Food and Lodging support and inspections; and

WHEREAS, the State provides less than \$ 6,750.00 per year to Lincoln County in support of providing Food and Lodging inspections and training; and

WHEREAS, it costs the local taxpayers of Lincoln County upwards of \$ 125,000.00 to meet the State mandated requirements of the Food and Lodging Program, and

WHEREAS, the Lincoln County Food and Lodging Program has been 100% compliant with the State mandate for the past seven consecutive years, and

WHEREAS, Local Health Departments fully support holding the State Environmental Health Division harmless for the funding to develop and maintain the environmental health data system; and

WHEREAS, the Lincoln County Board of County Commissioners believes fee for service funding for Food and Lodging support and inspections would be more equitable than asking county residents to bear the cost of this State mandated service through the use of ad valorem taxes; and

WHEREAS, other State mandated services such as the On-Site Sewage Program are funded using a fee for service approach; and

WHEREAS, Food and Lodging facility owners and operators are the ones who draw financial benefit from such facilities;

THEREFORE, the Lincoln County Board of County Commissioners, meeting in regular session, hereby requests the General Assembly to enact legislation empowering local government to enact and collect fees for providing Food and Lodging support and inspections from such enterprises operating within their boundaries.

This the _____ day of _____, 2007.

Attest:

Thomas Anderson, Chairman
Lincoln County Board County Commissioners

Amy Atkins
Secretary to the Board

Resolutions:

Fund Balance Policy: Commissioner Klein stated that the Board directed the County Manager to draft a resolution concerning capping the minimum level on the fund balance. This would be the threshold while going through the budget process from which the Board would not deviate.

Stan Kiser gave the Board a brief rundown of the fund balance from 1985 to current year. The lowest was in 1987 at minus 2.0% and the highest is the current year at 18.29%.

Commissioner Klein stated that what prompted this was the trend where the Board has dipped into the fund balance to balance the budget. Those funds were used to balance

recurring expenses rather than one-time expenses. He stated that this trend worries him and he feels the Board should impose some self-discipline.

Stan Kiser stated that he would recommend approving this with the budget. He stated that the Board should see the budget before locking in with this resolution. He stated that there would be a minimum tax increase of ten cents with the approval of this resolution.

Commissioner Klein stated that if there is more recurring expenses than recurring revenue, it needs to be dealt with and taking out of saving is not the correct route.

Commissioner Carlton stated that his concern is that if the Board approves this Resolution, they cannot use their savings account without having to rescind this.

UPON MOTION by Commissioner Klein, the Board voted unanimously to defer this Resolution until budget.

RESOLUTION

WHEREAS, Lincoln County has an A2 bond rating from Moody's Investors Service; an A rating from Standard & Poor's; and an AA- rating from Fitch Ratings; and

WHEREAS, Lincoln County has added over 6,000 new residents and has created over 11,000 new lots since 1999, placing a tremendous burden on our infrastructure systems such as roads, schools buildings, utilities, and education; and

WHEREAS, the increased demand for services and public assistance that has resulted from this growth has created an increased burden on local taxpayers to pay for county services; and

WHEREAS, from fiscal year 03/04 through fiscal year 06/07, the Board of Commissioners chose to use fund balance to pay debt burden on new schools and to balance the operating budget, thereby avoiding a tax increase; and

WHEREAS, use of one time revenues to fund recurring operating expenses only makes the budget deficit bigger the next year; and

WHEREAS, an adequate fund balance is positively necessary to achieve a minimal positive cash flow from July 1 – December 31 each year; and to provide a cushion for unforeseen expenses; and

WHEREAS, the mean unreserved, undesignated fund balance as a percentage of expenditures for other counties the size of Lincoln is 22.73%; and

WHEREAS, all three of the major bond rating agencies have warned counties against continuing the fiscally unsound practice of using fund balance to pay for recurring expenses, creating a structural deficit; and

WHEREAS, if the County continues to engage in unsound fiscal practices the result will be a "negative outlook" from Moody's Investors Service, Standard & Poor's, and Fitch;

and

WHEREAS, a “negative outlook” is a precursor to a bond rating downgrade, unless the unsound fiscal trend is reversed;
and

WHEREAS, downgrading of the County’s bond rating will result in higher interest rates being paid on the County’s debt, which will result in an increase in the amount paid each year to honor the County’s obligations, and could result in higher taxes for our families and property owners;
and

WHEREAS, improvements to the county fiscal picture as outlined herein would lead to stronger fund balance, higher bond ratings, lower interest rates, and savings to the tax payer;
and

WHEREAS, each member of the Lincoln County Board of Commissioners sees the importance of fiscal responsibility in the protection of our bond ratings;
and

THEREFORE, BE IT RESOLVED that the Lincoln County Board of Commissioners wishes to emphasize the Boards commitment to preserve the County’s bond ratings by adopting the following additional fiscal management policies that will be incorporated into the County’s budget document beginning with the 2007/2008 fiscal year:

1. Recurring, operational expenses of the county government will only be funded through recurring revenue sources;
2. The County will maintain an undesignated fund balance equal to 18% of general fund expenditures; and
3. Upon the completion of the annual audit of the County finances, any undesignated fund balance above 18% will be transferred to the capital projects fund 44 for county projects, or to the capital reserve fund 21 for schools, where it will be used to reduce reliance on debt financing for capital projects, thereby saving taxpayers’ money by reducing interest payments on financing instruments.

Adopted this the _____ day of _____.

Thomas R. Anderson, P. E., Chairman
Board of Commissioners

ATTEST:

Amy S. Atkins,
Clerk to the Board

Debt Reduction: Commissioner Klein stated that he just wanted to remind fellow Commissioners of the increase of indebtedness for the County. This would be to place a cap on this.

Stan Kiser recommended deferring this until the budget.

UPON MOTION by Commissioner Klein, the Board voted unanimously to table this item until budget.

RESOLUTION

WHEREAS, Lincoln County has an A2 bond rating from Moody's Investors Service; an A rating from Standard & Poor's; and an AA- rating from Fitch Ratings;
and

WHEREAS, Lincoln County has added over 6,000 new residents and has created over 11,000 new lots since 1999, placing a tremendous burden on our infrastructure systems such as roads, school buildings, utilities, and education;
and

WHEREAS, the increased demand for services and public assistance that has resulted from this growth has created an increased burden on local taxpayers to pay for county services;
and

WHEREAS, in May 2000 Lincoln County voters approved a \$36,000,000 school bond package;
and

WHEREAS, in May 2004 Lincoln County voters approved a \$47,000,000 school bond package
and

WHEREAS, in April 2006 the Lincoln County Board of Commissioners approved the issuance of \$19,645,000 of Certificates of Participation for use in school construction;
and

WHEREAS, Lincoln County has seen debt per capita rise from \$760 in 2000 to \$1489 in 2006;
and

WHEREAS, the total General Fund debt of Lincoln County now exceeds \$121,963,000 which is 2.1% of the assessed value of property subject to taxation;
and

WHEREAS, section 159-55(c) of the North Carolina General Statutes states "No bond order shall be adopted unless it appears from the sworn statement of debt filed in connection therewith that the net debt of the unit does not exceed eight percent (8%) of the assessed value of property subject to taxation by the issuing unit".

WHEREAS, the Lincoln County Board of Commissioners believes that this high level of debt is unwarranted and in an effort to make Lincoln County more fiscally sound and financially viable for all the county citizens has chosen to lower the county's debt margin to 4.0 % of the assessed value of property subject to taxation.

THEREFORE, BE IT RESOLVED that the Lincoln County Board of Commissioners have officially adopted 4.0 % as the highest debt margin the county will accept.

Adopted this the _____ day of _____.

Thomas R. Anderson, P. E., Chairman
Board of Commissioners

ATTEST:

Amy S. Atkins,
Clerk to the Board

2006 – 2007 Budget Adjustments:

The following are the budget adjustments that Commissioner Klein requested in order to reduce the original FY 06/07 fund balance appropriation by 50%.

Budgeted fund balance used to balance budget 2006-07:	5,730,897
5,730,897 x .5=	2,865,449

Possible sources of revenues and expense reductions to reduce fund balance by one-half.

Expense Reductions:

Eliminate appropriation in CIP for purchase of Bank of America building	1,300,000
Eliminate appropriation in CIP for purchase of solid waste truck	107,123

Additional revenues available:

Sales Tax 1 st 1/2% 400,000 less 30% for school debt -120,000 =	280,000
Sales Tax 2 nd 1/2% 400,000 less 60% for school debt -240,000 =	160,000
Investment earnings	300,000
Property taxes	718,326
Total	2,865,449

UPON MOTION by Commissioner Klein, the Board voted unanimously to ask the finance director to make those adjustments and bring them to a future meeting.

Chairman Anderson called for a five minute recess.

Chairman Anderson called the meeting back to order.

Amendment No. 4 for Westport Water Lines – Phase 2: Steve Gilbert presented the following information concerning Amendment No. 4. This amendment is submitted by W.K. Dickson for the second phase of the Westport Water Line Project. This phase will complete the replacement of the old and outdated water lines on Lakeshore Road South and several intersecting cul-de-sacs. The amendment will provide Bidding and Contract Award services, Construction Administration services and Construction Observation services for the installation of the lines. The Bidding and Contract Award services will be provided for a Lump Sum fee of \$4,800.00, and the Construction Administration services will be provided for a Lump Sum fee of \$9,600.00. Due to the close proximity of other underground utilities as well as the great impact this project will have on the area residents. This service was provided during the first phase of the project last year, and the on-site personnel proved to be very effective in dealing with the citizens and ensuring

that their concerns were addressed by the contractor. This amendment provides for these Construction Observation services at an hourly rate of \$70,400.00, which amounts to 80% of the time when the contractor is expected to be working.

If approved, the project will be advertised in January for a bid opening on February 6, 2007. Construction would be expected to be completed by early fall of 2007.

The Board discussed this request and the reasoning for it.

UPON MOTION by Commissioner Klein, the Board voted 4-1 (Patton against) to approve Amendment No. 4 for Westport Water Lines – Phase 2.

Capital Project Reports – Steve Gilbert: Steve Gilbert presented the Public Works Capital Project Reports.

Finance Officer's Report: Leon Harmon, Finance Officer, presented the Budget Performance Report for December, 2006.

Mr. Harmon asked if the Board would like to remain with Martin Starnes and Associates for next year's audit or take quotes.

It was the consensus to proceed with receiving quotes for the audit.

County Manager's Report: Stan Kiser presented the County Manager's Report.

He presented dates for meetings with the School Board. The Board agreed on February, 12, 2007 at 6:00 p.m.

The Board decided on April 26 and June 12 as budget work sessions.

County Commissioners' Report:

Chairman Anderson stated that he attended the NCACC legislative goals conference.

County Attorney's Report: Jeff Taylor, County Attorney, reported on the IBT transfer and the Rhyne Mills Site. He stated that First Charter has completed the process and the property on Main Street has been deeded over to EDA.

Calendar: Chairman Anderson presented the February 2007 calendar adding the joint meeting with school board February 12, 2007 at 6:30 p.m.

Vacancies/Appointments: **UPON MOTION** by Commissioner Klein, the Board voted unanimously to appoint Evelyn Gregory to the Nursing Home Advisory Committee.

UPON MOTION by Commissioner Klein, the Board voted unanimously to the Board of Health.

Other Business:

Commissioner Klein stated that as a result of deliberations in the planning sessions last week, he would like the board to direct the Building and Land Department to provide a written recommendation to the Board of Adjustment concerning the cases. A policy directive has been found to be the best route for now.

UPON MOTION Commissioner Klein, the Board voted unanimously to direct BALD to provide a written recommendation to the Board of Adjustment.

Commissioner Klein stated that at the last meeting, it was discussed that BALD would provide written recommendations for the Planning Board. He stated that this should follow the same process, a policy directive to make a recommendation at the public hearing rather than a text amendment change.

Closed Session: UPON MOTION by Commissioner Patton, the Board voted unanimously to enter Closed Session to discuss Personnel and Real Estate Matters that are confidential pursuant to N.C.G.S. 143-318.11.1

The Board returned to open session.

Chairman Anderson announced that no action was taken that would require Board action.

Adjourn: **UPON MOTION** by Commissioner Klein, the Board voted unanimously to adjourn the meeting.

Amy S. Atkins, Clerk
Board of Commissioners

Thomas R. Anderson, PE, Chairman
Board of Commissioners