

**IREDELL COUNTY BOARD OF COMMISSIONERS
REGULAR MINUTES
MAY 15, 2007**

The Iredell County Board of Commissioners met in Regular Session on Tuesday, May 15, 2007, at 7:00 P.M., in the Iredell County Government Center (Commissioners' Meeting Room), 200 South Center Street, Statesville, NC.

Board Members Present
Chairman Marvin Norman
Vice Chairman Sara Haire Tice
Steve Johnson
Ken Robertson
Godfrey Williams

Staff present: County Manager Joel Mashburn, County Attorney Bill Pope, Deputy County Manager Susan Blumenstein, and Clerk to the Board Jean Moore.

CALL TO ORDER by Chairman Norman.

INVOCATION by Commissioner Williams.

PLEDGE OF ALLEGIANCE

ADJUSTMENTS OF THE AGENDA: **MOTION** by Commissioner Tice to approve the following agenda adjustments:

Deletions: • Discussion/Request from Representatives of the Troutman VFD for a Voted-In-Tax District for the B & F Fire District

Additions: • Update on 2006 Scattered Site Housing Funds & Call for a Public Hearing Regarding an Application for the Same
• Closed Sessions for Personnel (G.S. 143-318.11(a) 6) and Property Acquisition (G.S. 143-318.11(a) 5)

VOTING: Ayes – 5; Nays – 0.

PRESENTATION OF SPECIAL RECOGNITIONS & AWARDS

Presentation and Adoption of a Proclamation of Congratulations and Praise to Major General James B. Mallory III: **MOTION** by Commissioner Robertson to adopt a proclamation to honor Major General Mallory.

VOTING: Ayes – 5; Nays – 0.

*Proclamation of Congratulations and Praise
to
Major General James B. Mallory III*

WHEREAS, the Iredell County Board of Commissioners desires to recognize citizens who give of themselves, their talents, and their leadership skills in making our county, state, and nation a better and stronger place to live and work; and

WHEREAS, James B. Mallory III, an Iredell County resident and local attorney, has recently been promoted from Brigadier General to Major General in the Army Reserves and in this capacity will command the 108th Division with troops deployed in Afghanistan and Iraq; and

WHEREAS, Major General James B. Mallory III, through this prestigious promotion, has brought recognition and honor to himself, his family, and to all citizens of Iredell County, this state, and this great nation.

NOW, THEREFORE BE IT RESOLVED, that the Iredell County Board of Commissioners takes great pride in honoring Major General James B. Mallory III and congratulates him on this coveted and impressive rank, and

BE IT FURTHER RESOLVED, that the Iredell County Board of Commissioners issues this Proclamation of Congratulations and Praise to Major General James B. Mallory III for his distinguished accomplishment and highly revered achievement.

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Major General Mallory mentioned that today’s national defense was dependent upon employers, and this group was carrying a greater burden than ever before. He said during the Cold War, the army reserve model was a strategic reserve to be called upon as a last resort. Mallory said at that time, a couple of summer days a month were sufficient for training and deployment. He said today, however, a strategic reserve method wasn’t used due to the non-existancy of competitors. He said all armed forces were reduced in the 1990s, by almost 40%, and the protracted struggle occurring now would last for years. Mallory said that with an all volunteer armed forces, there was not manpower to meet America’s needs, missions, and commitments. He said the reserves and guard of today were no longer strategic forces rather they were operational reserve -- “joined at the hip” with the army, marine corps and other units. Mallory said today’s soldiers had to balance their military responsibilities with their civilian lives, and employers had to recognize that structure.

Mr. Mallory thanked the board for the proclamation.

APPOINTMENT BEFORE THE BOARD

Update from the Soil & Water Conservation District on the Beaver Management Assistance Program & Decision Concerning FY 2007-08 Funding: Soil and Water Conservation District Chairman Jimmy Gray and Soil & Water Conservationist Jim Summers provided the following data on the progress being made in the beaver management program.

	Oct. 2006	Nov. 2006	Dec. 2006	Jan. 2007	Feb. 2007	Mar. 2007	Total
Properties worked	1	2	3	5	13	5	29
On-site hours	33	17	30	26	55	24	185
Dams Dug	6	0	6	10	5	6	33
Beaver removed	7	5	6	5	26	11	60
Reported losses	N/A	\$825	N/A	\$14,500	\$5,600	N/A	\$20,925.00
Resources Saved		\$2,423.85		\$33,449.13	\$12,604.00		\$48,477.00

Commissioner Robertson mentioned the erosion and forestry problems that could occur without the program.

There was board consensus to continue the program, and Commissioner Johnson told Mr. Gray and Mr. Summers that funding would be included in the FY 2007-2008 budget.

-----**CONSENT AGENDA**-----

MOTION by Commissioner Tice to approve the following nine (9) consent agenda items.

VOTING: Ayes – 5; Nays – 0.

(All items were explained during the agenda briefing.)

- Request for Approval of the April Refunds & Releases:** Tax Administrator Bill Doolittle requested approval of the following refunds and releases:

<u>APRIL 2007 TAX RELEASES & REFUNDS</u>		
	<u>Releases</u>	<u>Refunds</u>
County	17,218.34	1,728.45
Solid Waste Fees	104.00	0
East Alexander Co. Fire #1	0	0
Shepherd’s Fire # 2	56.72	0
Mount Mourne Fire # 3	23.44	114.14
All County Fire # 4	574.28	53.99
Statesville City	1,682.34	0
Statesville Downtown	16.09	0

Mooreville Town	9,385.32	24.35
Mooreville Downtown	0	0
Mooreville School	1,508.93	6.71
Love Valley	0	0
Harmony	0	0
Troutman	171.24	0
Total	30,740.70	1,927.64
A complete list, of the individual tax releases and refunds, is hereby incorporated into the minutes by reference.		

2. Request from the Sheriff's Department for Approval of a Resolution to Authorize the Awarding of an Employment Badge & to Allow Retiree Mike Hager to Purchase his Service Sidearm: (The following resolution was approved.)

RESOLUTION REGARDING THE BADGE AND SIDEARM
OF
LIEUTENANT MICHAEL HAGER

WHEREAS, Lieutenant Michael Hager served honorably in the Iredell County Sheriff's Office and has successfully met the requirements for retirement, and does, upon the occasion of retirement, request to retain his badge and to purchase his service sidearm.

NOW, THEREFORE BE IT RESOLVED, by the Board of Commissioners of Iredell County, that said badge be awarded to Lieutenant Michael Hager at no charge and that he be allowed to purchase his sidearm for the sum of One Dollar (\$1.00), as provided by G.S. 20-187.2 .
One (1) Glock Model 22 Serial # ALF309US

3. Request for Approval of the Juvenile Crime Prevention Council's Recommendation Regarding FY 2007-08 Funding: The juvenile crime council on April 24, 2007 met and recommended the following funding proposal, and the board of commissioners approved the same.

ARK/ SCAN	\$49,187	DonLin Counseling	\$ 9,453
Barium Springs Home for Children	48,474	Mills Home	6,600
Boys & Girls Club	22,500	Piedmont Mediation	25,000
Counseling Center of Iredell	25,000	Project Challenge	60,000
D-A-S-H	6,000	Psychological Services	6,820
JCPC Administration	15,500	Unallocated	14,884
(JCPC voted not to fund Insight)		(To be allocated prior to 12/31/07)	
Total to be distributed through Iredell JCPC			\$289,418

4. Request from MAG Land Development, LLC for Approval of a Permanent Utility Easement and Temporary Construction Easement (Location: North Main Street, Mooreville, NC, near East Mooreville Intermediate School): County Manager Mashburn said the MAG Company needed to extend an existing water line from the East Mooreville Intermediate School site for fire hydrant installation and to improve water pressure. Mashburn said the county was involved only because it held title to the school property as was required by a Certificates of Participation issuance.

5. Request for Approval of a Resolution Regarding the 2007 Clean Water Act: County Manager Mashburn presented the following summary on how 1998 Clean Water Bond funds were used in Iredell County. After review of the information, the board approved a resolution in support of the Clean Water Act of 2007.

1998 CLEAN WATER BOND PROJECTS IN IREDELL COUNTY

Town of Mooreville, Coddle Creek Basin Study, \$40,000*.

This project will address a critical environmental and economic development need. This project will develop a comprehensive study and analysis of the Coddle Creek basin to determine the extent and cost of providing public water and sewer to the southeast corner of Iredell County (Dale Earnhardt Inc.). The health department has documented unsuitable soils for on-site wastewater disposal systems in this area. Iredell County has lost 1,105 jobs in the last two years. The Town of Mooreville's poverty rate is 7.2%.

Iredell County, West Farm Water Tower, Project \$150,000*.

This project will address a critical economic development need. Energy United Water Corporation provides water service to

3,846 customers. This project will construct a one million gallon water storage tank, and 2,000-LF of 12-inch water line in order to meet the expansion needs of Polar Cold Storage. This project will assist with the creation of 30 jobs. The county has lost 1,592 jobs in the last two years. Iredell County's poverty rate is 8.2%.

Town of Harmony, Preliminary Engineering Report, \$10,000*.

The Town of Harmony is located in northern Iredell County and has a population of 546. Iredell County is considered a rural non-distressed county; however, the Town of Harmony is a "distressed" community located near a growing rural area. Iredell County's average per capita income is \$19,245. The average income per capita in Harmony is \$11,176, more than \$8,000 lower than the county average. The Town of Harmony is suffering from failing septic tanks and is in need of a new sewer system. The options for sewer collection for Harmony must be explored considering not only the needs of the community and the available resources but also the Town's financial position.

This Preliminary Engineering Report (PER) will be an option analysis for sewer collection for the Town of Harmony. The report will look at new collection lines, a new treatment system, construction wetlands, and a study of possible receiving streams as well as other disposal options.

The PER will give the Town of Harmony a clear picture of what will be needed to develop a sewer collection system and will serve as a new starting point which can lead to the development of a sewer collection system. In illustration, Harmony is presently at Point A where they have a need but no idea of their options. The PER will move Harmony to Point B where they know their options and can proceed to complete the sewer system through State Revolving Fund, RECD (Farmers Home) or The Rural Center.

Town of Harmony, Wastewater Collection and Treatment System, \$1,020,000*.

The proposed project involves the design and construction of a wastewater collection system and a 250,000 gallon per day constructed wetlands wastewater treatment facility.

City of Statesville, Statesville-Salisbury Water Line, \$300,000*.

This project will construct an interconnection between the Statesville water system and the Salisbury water system. The interconnection will provide up to 2 million gallons per day of treated drinking water to the City of Statesville. Statesville provides water to 9492 customers. This project will assist in the retention of 1610 jobs. Iredell County has lost 1819 jobs in the past two years. The city's poverty rate is 16.1%. The city requested \$400,000 toward the project. Rural Center staff recommends an award of \$300,000 based on the presence of a high fund balance in the city's coffers.

Town of Troutman – Improved Capacity for Wastewater Treatment \$3,000,000.

No project details available.

Iredell County - Water Lines -. \$330,225**. No project details available.

* Information provided by NC Rural Center

** Information provided by NC DENR Water & Sewer Divisions

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Resolution of Support for the Clean Water Act of 2007

WHEREAS, North Carolina's continued prosperity depends on protecting the State's water resources for current use and future generations; and

WHEREAS, North Carolina is expected to grow by 3.5 million people to exceed 12 million by the year 2030, placing pressures on the State's water resources and local water providers; and,

WHEREAS, North Carolina's businesses, traditional and emerging industries all depend on reliable supplies of clean water, reasonable utility costs, well maintained water infrastructure and an attractive natural environment; and

WHEREAS, the 1998 Clean Water Bonds delivered significant benefits to North Carolina communities and citizens, supporting 1,103 projects in 97 counties, which

- *Helped create or retain 42,000 jobs*
- *Corrected major regulatory violations in 97 communities*
- *Addressed failing septic systems and contaminated wells in 59 counties*
- *Resulted in 50 communities receiving sewer service for the first time*
- *Encouraged regional efficiencies, sound planning and conservation practices; and*

WHEREAS, North Carolina's public water sewer and storm water utilities will require investments totaling \$16.63 billion to keep pace with necessary improvements and population growth over the next 25 years, including \$6.85 billion in investments within the next five years.

NOW, THEREFORE BE IT RESOLVED that the Iredell County Board of Commissioners urges the North Carolina General Assembly to enact the "Clean Water Act of 2007," which provides for a \$500 million bond issue to be expended over the next five years, and an annual appropriation of \$50 million in recurring funding to address urgent needs.

6. **Request for Approval of an FY 2007-08 Centralina COG Service Agreement in Conjunction with the Lake Norman Rural Planning Organization (RPO):** County Manager Mashburn said a service memorandum to administer and perform tasks for the RPO had been received in the amount of \$5,019 (plus Centralina member hours).

7. **Call for a Public Hearing on Tuesday, June 5, 2007 for Citizen Comments Regarding the FY 2007-08 Iredell County Budget** (The county manager's budget message may be found near the end of the minutes.)

8. **Request for Approval of the May 1, 2007 Minutes**

9. **Update on 2006 Scattered Site Housing Funds & Call for a Public Hearing on June 5, 2007 Regarding an Application for the Same:** Deputy County Manager Blumenstein said officials with the Department of Commerce/Community Assistance had advised that the county would be eligible to apply for 2006 scattered site housing grant funds. She said \$400,000 would be available, and \$252,150 of the funding would be used to finish out the 2003 scattered site housing projects.

ANNOUNCEMENT OF VACANCIES OCCURRING ON BOARDS & COMMISSIONS

Troutman Planning/Zoning Board (ETJ) (2 announcements)

Farmland Preservation Board (2 announcements)

Carolinas Partnership (1 announcement)

Fire Tax District Board (1 announcement)

Statesville Airport Commission (1 announcement)

Jury Commission (1 announcement)

APPOINTMENTS TO BOARDS & COMMISSIONS

Adult Care Home Community Advisory Committee (4 appointments): Commissioner Williams nominated Janet Hall.

MOTION by Commissioner Tice to (1) close the nominations (2) appoint Hall by acclamation and (3) postpone the remaining three appointments until the June 5 meeting.

VOTING: Ayes – 5; Nays – 0.

Nursing Home Advisory Committee (3 appointments): **MOTION** by Commissioner Tice to postpone the three appointments until the June 5 meeting.

VOTING: Ayes – 5; Nays – 0.

Centralina Workforce Development Board (1 appointment): **MOTION** by Commissioner Tice to postpone this appointment until the June 5 meeting.

VOTING: Ayes – 5; Nays – 0.

Industrial Facilities & Pollution Control Financing Authority (3 appointments): Commissioner Tice nominated J.D. Chamberlain.

Commissioner Williams nominated John Massey.

MOTION by Chairman Norman to appoint Chamberlain and Massey by acclamation and to postpone the remaining appointment until the June 5 meeting.

VOTING: Ayes – 5; Nays – 0.

UNFINISHED BUSINESS

Inter-Local Agreement with the City of Statesville on the Canac Kitchens Project: Commissioner Johnson said that in the “spirit of cooperation” and in keeping with past precedent, he desired for the board to reconsider the April 3 action regarding the Canac Inter-Local Agreement with Statesville. Johnson said the county's logic in reducing the match and limiting the

amount of re-payment, if necessary, was sound; however, city officials felt there was a 50/50 agreement on these types of matters.

MOTION by Commissioner Johnson to commit the originally requested amount of \$342,780 instead of \$62,850 (approved on April 3, 2007) as requested by the City of Statesville as matching funds towards the \$250,000 “One NC Fund Grant” and to increase the grant repayment, if needed, from twenty-five percent (25%) to fifty percent, or one half.

VOTING: Ayes – 5; Nays – 0.

An excerpt from the April 3 minutes (Book 10 Page 795) when this request was initially acted upon, is as follows:

Deputy County Manager Blumenstein said a \$250,000 One NC Fund Grant had been awarded to the City of Statesville for Canac Kitchens, and an equal amount was needed as a match. She said economic incentives from the city and county could be used; however, Statesville had approved only \$187,150 while the county’s incentive was \$342,780. Blumenstein said an inter-local agreement, drafted by the city, included the full \$342,780.00; however, she was recommending that only \$62,850 of the county’s incentive be used. She said the \$62,850 was the difference between the total match needed of \$250,000 and the city’s incentive of \$187,150. In addition, she recommended for the county to be responsible for only 25% of the \$250,000 should a grant payback be required. (The Inter-Local Agreement was approved contingent upon the county’s share of the match being \$62,850 and any grant repayment being limited to 25%.)

Growth Management Menu of Options Discussed at the Winter Planning Session:

Commissioner Robertson said 13 growth management options were chosen at the February 23 planning session, and he asked for a progress report.

County Manager Joel Mashburn said the planning director position vacancy had hindered the work; however, Planner Rebecca Harper had been assigned to the Perth Road Small Area Plan, and Matthew Todd would create the West Iredell Small Area Plan. He said “solid” demographics were needed for many of the options, and Mr. Frank Warren (Warren Associates Real Estate Market Strategies) was assisting in this endeavor. Mashburn said in addition, Institute of Government Professor Rich Ducker had agreed to provide a seminar on what counties could and couldn’t do to manage growth. Lastly, Mashburn said a joint meeting with managers/mayors would occur to discuss water sewer.

Acting Planning Director Steve Warren said Mr. Ron Smith would soon assume the director’s responsibilities. Warren said the planning department started work on the 13 options the Monday following the weekend retreat by contracting with the Planners Advisory Service, a nationwide research subscription service. (A division of the American Planning Association.) He also mentioned the following work plans for the department:

1. Updating/modernizing the zoning code
2. Updating/modernizing the land use plan
3. Sharing demographic materials (Frank Warren Study) with the schools.

Commissioner Johnson asked if the nationwide service was abreast of North Carolina law.

Warren said any growth management concepts would have to align with state law, and Rich Ducker would assist in this regard.

Commissioner Robertson asked the status of the previous recommendation for representatives from the schools and the Department of Transportation to be added to the subdivision review board.

Warren said Dr. Miller with the school system, and Patrick Norman with the DOT had been contacted, and coordination with these two organizations would occur.

Commissioner Williams asked the number of building permits in the first lottery.

Warren said they were “very scant” -- not to nine (9) yet. He said updates would be provided to the county manager.

Commissioner Williams said he would like to be provided this information as well as the permits under vested rights.

Warren said the information would be given to the manager.

PUBLIC COMMENT PERIOD

Glen Lindemann Discusses the Brawley School Road Building Permit Ordinance:

“Good Evening ladies and gentlemen. My name is Glen Lindemann and I am with the Iredell County Growth Commission.

“It has been a month since the April 17th meeting when the ineffective Building Permit Ordinance was passed by the Board. Since then, has anything been done at the County level to improve the health and safety for the residents of BSR? If the growth can not be slowed down, what can be done? After two hours of expert testimony concerning the safety issues to the residents along BSR, we believe that the Commissioners are now extremely vulnerable to a law suit if you fail to do some meaningful improvements. If someone dies in a head on crash or if someone dies because an ambulance is stuck along BSR, we can see the BOC being held as criminally negligent for ignoring all of the warnings. You can bet when, not if that happens, your friends who supported the amendment will all run for cover.

“There was a list of about a dozen smaller items that could and should be worked on now. At the top of the list is to provide traffic officers at two or three critical locations for two hours in the morning and two hours in the evening rush hours during the school year. These officers can keep traffic flowing better than the traffic lights and help emergency vehicles get through traffic gridlock.

“How can this be funded? If we assume three officers for four hours a day for the 200 school days per year, it would cost \$60,000 if the officers get \$25/hour. Since there is no slow down in building permits along BSR you could increase the permit fees by \$100 and generate \$35,000 if 350 permits are issued along BSR or generate \$70,000 if the fees were increased by \$200. This was discussed with some of the BSR builders and they believe that many of their associates would support this extra fee.

“Next, if either Iredell County or Mooresville funds or both are tapped, a simple right turn lane can be installed at the intersection of BSR and Oaktree. This will allow evening rush hour traffic to better flush itself out during the very long red light cycles.

“Some other relatively inexpensive quick fixes that we would like to include are:

- 1) Look to stagger the school hours for the students attending the schools along BSR (not all of Iredell County).*
- 2) Temporarily open the back gate to Woodland Heights Elementary, to allow local Blume Road and Shavender Bluff residents to drop off and pick up their students without traveling on BSR. The road does not even have to be paved, just open the gate.*
- 3) Repaint the lanes along BSR. They are impossible to see at night and in the rain.*
- 4) Pressure Crescent to provide more well sites to insure adequate water supply for BSR residents.*
- 5) Require Duke to release an up to date evacuation plan for BSR before their relicensing hearings are completed.*
- 6) Put someone in charge of the task to set priorities on the list of recommendations from the Planning Board.*

“After more than a year of study, and countless campaign promises, as Commissioners, you have done nothing to control the growth or improve the infrastructure in South Iredell. Has the BOC charged anyone with the task to bring any of these items forward as an ordinance for a vote? The residents of BSR are looking for some action to help with the health and safety problems that were identified so clearly last month. When can we expect to see some action from our elected officials?”

Ken Journey Discusses Volunteer Fire Department Related Matters:

“I am a member of the business planning committee, and the fire chief’s council asked me to monitor fire-related business at tonight’s meeting. I appreciated the fact-based data questions that were raised at this afternoon’s planning session. The business plan that was presented at the November planning session includes much of the fact-based data based on pre-valuation figures. We look forward to Mr. Doolittle updating that information, and I think you will find that the data is verifiable and will show that the insurance savings that we have represented are much greater than what we’ve represented. We look forward to the county putting together the figures. The county fire chiefs recognize that with Troutman pulling out, or having their own fire district, that it would roughly be the

equivalent of costing us one fire engine a year, but this performance based business plan that they have proposed will save, if we get some seed money to fund it, a lot more money than it costs. This can be verified by a combination of information from the tax office, the state fire marshal's office, and insurance company representatives. Our plan shows how we amassed the data, and how it was calculated, so you can plug your own numbers into it. At last week's fire commission meeting, Troutman submitted a specific plan -- costing \$2 million. One thing that wasn't pointed out by the Troutman VFD at the briefing was that \$1.7 of that \$2 million is to buy land and to build and equip a fire station in the Fern Hill Road area. That area is a small corner in the Troutman district, and we pulled the tax cards and they showed it to be an unrated area, more than five miles from any fire station that exists. There's no way the fire department can provide the area with insurance benefits unless a station is provided. That little area pays more fire tax than any four of our smallest fire districts. They are paying the freight, they are just not getting the benefits. Troutman can do a ratings improvement for this district's portion within five miles for a whole lot less in costs. They have a specific plan. The reason we've had a delay in other plans is due to Mr. Johnson's request, at the retreat, for a specific plan. The following Monday after that Saturday meeting we went to the tax office, and we said the foundation for our plan was a district map that showed the plotted fire hydrants, and the natural water points because water is 35% of this total process. We've got to verify why we need extra water sources, and how much it will cost. If we can't show this and meet that portion of the rating process there's no use to buy the other expensive fire engines -- we just can't do it-- we just buy what's needed to provide the service. With all this data we're asking for it. The fire commission has the manuals and you can verify anything they ask for and see the associated values. Regarding Troutman, I'd like to say that when a volunteer fire department is experiencing 2 to 300 calls a year, it's pretty easy for a volunteer department. We are averaging about 5 to 600 calls per department, but Troutman had 1400 calls this year. They are overwhelmed with response needs, and I feel like the department needs the money. They have a two-road street -- response issues and saving people money on homeowner's insurance. You will soon see specific rating plans. The fire commission will see them from Ebenezer, Cool Springs and Trinity. These will probably be ready by the next fire commission meeting. The fire hydrants have been plotted. We've gotten one fire district map since the retreat. The hydrants have been plotted in West Iredell and Ebenezer, and we hope to have these maps soon. Harmony is coming next. You folks will see savings that are two to five times greater than what it will cost, and I hope you will keep an open mind, listen to these plans, and weigh the cost benefits because they have the opportunity to provide the people of this county better response at a tremendous savings."

Richard Cook Discusses the Need for a Detoxification Center:

"I think everyone knows someone who has been affected by substance abuse either directly or indirectly. Iredell County once had a detox. It's not just my opinion that Iredell County is in dire need of a detoxification center that's both affordable and accessible. This subject is worthy of your consideration, and I offer any help that I can give. I just want you to consider this need."

COUNTY MANAGER'S REPORT

John Merrick Introduction: County Manager Mashburn introduced John Merrick, the expanding industry's coordinator for the Greater Statesville Development Corporation. Mr. Merrick started work on May 14, 2007.

Prescription Discount Drug Cards: County Manager Mashburn said 28,000 prescription cards would be available to uninsured county citizens. He said a 20% discount would be offered at participating pharmacies. Mashburn said the cards would be distributed at strategic areas throughout the county.

Budget Sessions: County Manager Mashburn said that a previous meeting, May 21 was selected as a budget work session date. He said that due to the Department of Transportation's I-40/I-77 Interchange Public Meeting on the same date, a schedule revision was needed.

By consensus, the board agreed to the following budget work session dates:

Thursday, May 24 at 5:30 p.m.

Tuesday, May 29 at 5:30 p.m.

Thursday, May 31, at 5:30 p.m.

(If needed, other tentative budget work session dates are June 7, 12 & 14.)

Presentation of the FY 2007-08 Iredell County Budget: County Manager Mashburn highlighted key points out of the following budget message.

BUDGET MESSAGE

FY 2007-2008

Submitted to the Iredell County Board of Commissioners on May 15, 2007

This budget is submitted to you as a balanced budget and is prepared in accordance with the Local Government Budget and Fiscal Control Act.

REVENUES

Our economy in Iredell County remains strong and revenues are again anticipated to increase in FY 07-08, however, we have seen some slowing in sales tax collections which is probably the result of a combination of factors. Even though we have seen substantial retail growth in the southern end of the county, we have seen the closing of several businesses in the Statesville area. The mall on Signal Hill has seen the loss of several major tenants over the past few years, and no new tenants appear to be too interested in moving into an area that appears to be in economic decline. In addition to the slowing of this retail area, one can observe that some of the other newer strip shopping centers in the Statesville area are experiencing vacancies or at least have seen a negative change in the economic vitality of the center. Added to this are the major new retail businesses that have been developed just across the county line in Mecklenburg County, as well as the convenience for Iredell County folk to travel to more updated and upscale shopping opportunities in Hickory and Winston Salem. With some of the plans on the drawing board, we may see a reverse of this trend when the new development takes off at exit 45, and also in the Troutman and southern Iredell County area.

We have seen some substantial growth in the property tax base during the past year, but much of this increase is a result of the 2007 revaluation. The overall growth in the tax base is up 24% over FY 07, however, new growth accounts for almost 1/4 of this increase. Combined, this new value will increase the revenue generated by \$348,205 for each cent of the tax rate. The county has experienced a lot of growth in the residential tax base, but we have lost some substantial base in manufacturing as we have seen more and more of our manufacturing jobs go to Mexico or to China or other off shore countries. Although we are maintaining a lower than State average unemployment rate, many of the new jobs we see being brought into the county are lower paying, reduced benefit type service jobs.

Much of the increase we have seen in the increase in the residential tax base has been in higher end developments that are occurring along the shoreline of the lake, or the more desirable locations in the southern part of the county. This rapid growth in such a concentrated area of course has exacerbated our resources to the point that we find that we cannot maintain the level of service expectations without some rather major expenditures for service delivery. This matter will be addressed when the discussion of expenditures occurs.

A healthy increase is anticipated in most of the other revenue sources such as the collection of fees, reimbursements, etc.

EXPENDITURES

General Fund: *As was discussed earlier, the county continues to experience record breaking growth numbers. Based on most projections available, there is not an anticipated slowing down as this area is just becoming more and more popular as a good place to live, work and do business. There is no question that our close proximity to the Charlotte area is the major driving force behind our growth, and for this very reason, there does not appear to be a leveling of this growth anytime in the near future, especially since some of the other fast growing areas surrounding Charlotte are starting to approach maximum build out. With this in mind, the citizens of the county have raised the bar as to what it expects in services from the county government, and the county commissioners have responded in-kind to meet these new demands. One major way the county has responded is by developing a funding plan to provide adequate school facilities. Even with this plan, however, we will not be able to meet the demand without going to the market and raising a substantial amount of investment from outside sources. School expenditures will be discussed in more detail later in the budget message. For now, the discussion will be limited to some major increases in some of the other county operations.*

*Some of the major increases are in the area of **public safety**. The increase in the demand for these services can be attributed to population growth as well as growth in the number of travelers passing through the county over our extensive interstate highways and major thoroughfares. Also, because of the more concentrated and congested retail and residential development, it is necessary to provide services in more convenient locations. There is of course a need to add additional law enforcement officers, not only to provide better patrolling of the communities in the county, but to provide a higher level of support to the field officers. In addition to this, the county has already outgrown its available jail space, and by having to add satellite facilities to meet the demand, additional staffing and other operational cost are warranted. In*

addition to the need for more law enforcement officers and jail staff, we have seen an increased need for more EMS personnel to provide faster response to areas difficult to serve from our present locations.

Although public safety is high on the priority list, the commissioners have also established higher expectations in insuring that we are more expeditious in our response for services we provide to the builders and homeowners during this period of accelerated growth. By adding additional **inspectors**, as well as adding another person to handle the need for faster plans review, we feel we can come closer to meeting the expectations of the building public. In response to insuring the protection of our lakes and streams from abuses of our environment from the actions of a few careless and/or unscrupulous developers, the county is now enforcing the erosion control laws of the state, and the proposed budget provides for a full year of enforcement, a responsibility that once was the sole responsibility of the state.

As you review the budget proposal, you will also note a larger than normal increase in **Elections**. A couple of factors weigh heavily into this. One major factor is the talk of having an earlier primary. If this occurs, then expenses will be up for next year. Another efficiency measure that is being proposed is the online voter books; making it easier to move the lines at the polling places, insuring more voter satisfaction with the process. It is a shame when we spend three quarters of a million dollars and less than 20% of our registered voters show up at the polls. Making these changes will take some of the pain out of the process and hopefully insure a higher turnout.

Of course, as the population increases, and as economic conditions fall off for some, we see increases in the demand for **human services**. This has been true in past years and this year is no different. Eleven new positions are needed in **Social Services**, and because of some new mandates by the state, new positions are being requested for the **Health Department as well**. All in all, there is only a 5% increase in the number of new positions, and when you consider the fact that it takes 4 people to fill 1 position in the Sheriff's office, and it takes 3 people to fill one position in EMS, the real increase is closer to a 4% increase.

The budget further recommends a 2.5% across-the-board increase in salaries, and a set aside for merit increase up to 4%, based on employee evaluations.

As always, the major increase in the proposed budget is for **schools**. At the rate the county has to build new schools, and with the increase in cost to build and properly maintain these schools, this is always going to be a budget area where we are playing catch-up. In the school **current expense budget**, the recommendation proposes a 7.42% increase in the per pupil rate, going from \$1,266 to \$1,360. Because of growth, the overall increase in current expense is 9.75% for the Iredell-Statesville School System, and an overall increase of 20.31% for the Mooresville Graded School District. In total, the increase in appropriations for schools (including Mitchell College) for FY 08 is \$8,853,960 or a 15.45% increase. When you include capital, debt service and current expense, over 50% of the county funds goes for schools. As you recall, the board directed that 10.5 cents be taken off the top of the tax rate for school capital. This 10.5 cents will feel the full impact of the 24% increase in valuation.

SOLID WASTE

We can no longer process the solid waste in Iredell County for what we have been charging. The cost of land, the cost of equipment, and the cost of operations have all increased. New environmental rules dictated by the state or federal government have not only increased the cost of disposing of the current waste stream, but is making it more costly to prepare for the future as well. For this reason, the budget does propose an increase in the tipping fees, and some increases in other charges. Until we as a nation start taking recycling more seriously, and we start seeing a reduction in the waste stream at the source, we can anticipate regular increases in the fees we have to charge to bury it in the ground, which is basically the only option we have at this time.

CONCLUSION

It is recommended that the Iredell County Board of Commissioners approve the proposed 2007-2008 budget as presented. If so approved, this will establish the ad valorem (property tax) rate at 44.5 cents per \$100 valuation base on the Tax Assessor's estimate of \$18,694,000,000 and a collection rate of 96.85%. The proposal also maintains a fund balance of \$22,401,703 which is 14.16% of the General Fund Budget.

Submitted by: Joel Mashburn, County Manager and Budget Officer
Susan Blumenstein, Finance Director and Deputy County Manager

CLOSED SESSION: Pursuant to G.S. 143-318.11 (a) 6 – Personnel, and G.S. 143-318.11 (a) (5) – Property Acquisition, Chairman Norman at 8:10 p.m., made a motion to enter into closed session.

VOTING: Ayes – 5; Nays – 0.

(RETURN TO OPEN SESSION AT 8:35 P.M.)

ADJOURNMENT: **MOTION** by Commissioner Johnson to adjourn the meeting at 8:35 p.m. (Next Regular Meeting: Tuesday, June 5, 2007 at 5 & 7 p.m. Budget work sessions are scheduled for May 24, 29, and 31 at 5:30 p.m., in the South Wing Conference Room.)

VOTING: Ayes – 5; Nays – 0.

Approved: _____

Clerk to the Board