

**IREDELL COUNTY BOARD OF COMMISSIONERS
REGULAR MINUTES
NOVEMBER 19, 2002**

The Iredell County Board of Commissioners met in Regular Session on Tuesday, November 19, 2002, at 7:00 p.m., in the Iredell County Government Center, 200 South Center Street, Statesville, NC.

Present: Chairman Sara Haire Tice
Vice Chairman Karen B. Ray
Tommy E. Bowles
Steve D. Johnson
R. Godfrey Williams

Staff Present: County Manager Joel Mashburn, County Attorney Bill Pope, Finance Director Susan Blumenstein, County Assessor Brent Weisner, Planning Supervisor Ron Smith, and Clerk to the Board Jean Moore.

CALL TO ORDER: Chairman Tice called the meeting to order.

INVOCATION by Commissioner Bowles.

PLEDGE OF ALLEGIANCE: The pledge was led by Boy Scout Braden Parlier. Braden was working on his Citizenship in the Community merit badge, and his father accompanied him to the meeting.

ADJUSTMENTS OF THE AGENDA: MOTION by Chairman Tice to adjust the agenda by:

Revision: • Item F on the agenda was reworded as follows: Request for the Adoption of a Resolution Calling for a Public Hearing on December 17, 2002, Concerning the Refinancing of a Portion of Outstanding Series 2000 Installment Payment Revenue Bonds

Additions: • Request for the Acceptance of a Proposal from the Bank of America to Refinance a Portion of the Outstanding 1992 Certificates of Participation at an Interest Rate of 2.85%
• Request for the Adoption of a Resolution Calling for a Public Hearing on December 2, 2002, at 9:00 a.m., Concerning the Refinancing of Outstanding 1992 Certificates of Participation
• Request for Approval of a Contract with Benchmark Consulting for the Preparation of a Community Block Development Grant Application for the Scattered Site Housing Grant not to exceed \$10,000, & to set December 3 & December 17, 2002, as Public Hearing Dates
• Request for County Manager Authorization to Sign on Behalf of the County, a One-Year Lease Agreement Regarding Eight (8) Acres of County Property to be used for Agricultural Purposes by Craig Wagoner

VOTING: Ayes – 5; Nays – 0.

APPOINTMENTS BEFORE THE BOARD (7:00 P.M.)

Presentation of the Comprehensive Annual Financial Report for Iredell County, as of June 30, 2002, by McLelland, Rutherford & McKenzie, PA: Mr. Ron McLelland said the county's financial report was submitted to the Local Government Commission on October 17, and it was approved on November 6, 2002. He said the report was "unqualified and there were no noncompliance areas cited." In addition, he said there were no questioned costs. McLelland then shared the following data that compares the county's financial condition as of June 30, 2001 to June 30, 2002.

Iredell County Statistical Data			
	06/30/01	06/30/02	Increase (Decrease)
Cash & Investments	\$ 48,812,749	\$ 35,466,578	\$ (13,346,171)
Receivables (Net)	12,710,646	11,737,521	(973,125)
Fixed Assets (Net)	47,792,199	53,939,250	6,147,051
Payables & Accruals	6,589,004	7,341,965	752,961
Long-Term Debt	71,713,682	73,089,094	1,374,412
Total Equity	93,508,120	84,391,432	(9,116,688)
Working Capital (Excludes Current Portion of Long-term Debt)	53,736,098	40,053,853	(13,682,245)
Fund Balance Reserved	35,315,520	18,392,647	(16,922,873)
Fund Balance Unreserved/Designated	1,950,220	3,527,347	1,577,127
Fund Balance Unreserved/Undesignated	10,354,569	10,537,633	183,064
Legal Debt Margin	724,988,780	773,128,598	48,139,818
General Fund Budget	94,440,331	103,030,354	8,590,023
Net Material Budget Amendments Made (All funds)	3,356,994	9,031,072	5,674,078

Mr. McLelland said some of the notable changes could be explained by saying:

- The decrease in cash/investments was due to bond money being spent.
- The decrease in receivables could be attributed to cuts by the State.
- The decrease in total equity was due to money, previously being held, that was paid out for construction projects.
- The increase in fund balance unreserved/designated was due to money set aside for fire funds and fire related items.
- The increase in legal debt margin was due to more properties being obtained by the county.

Chairman Tice thanked Mr. McLelland and stated the board of commissioners would receive the report for information.

Review of the Iredell County Mental Health Business Plan & Call for a Public Hearing on Tuesday, December 17, 2002: Crossroads Behavioral Healthcare Area Director & CEO David Swann briefly explained the following five documents.

1. Needs Assessment
2. Strategic Plan
3. Executive Summary
4. Timeline
5. Crossroads Area Board Resolution (The resolution was in support of the local business plan; however, it stipulated the area board's reservations due to the requirements imposed by the Mental Health Reform Act.)

Swann said Crossroads currently employed 260 people, but the organization in the future would be much smaller. He said it was hoped area providers would employ most of Crossroads' employees. Mr. Swann said the State appeared to be "financially pulling out" its support of mental health services, and more would be expected of the counties. He said "redirected funds" would be shifted to the counties when hospitals, such as Broughton closed; however, there would be a decline in State dollars. Swann said a bed at Broughton typically cost about \$1,000 a day, but it was hoped patients in the future could be treated locally for about \$300 per day.

Commissioner Williams asked what would happen when Broughton Hospital closed.

Swann said it would be necessary to develop local alternatives to treat the mentally ill.

MOTION by Chairman Tice to call for a public hearing on December 17, 2002, regarding the Local Business Plan required by North Carolina General Statute 122C-115.2.

VOTING: Ayes – 5; Nays – 0.

Chairman Tice declared the meeting to be in a public hearing.

Small Cities Community Development Block Grant in the Amount of \$240,000: Economic Developer Jeff McKay said the purpose of the hearing was to receive comments on the application for an economic development grant. He said the funds would be used for a 750,000 gallon elevated water storage tank and 2,600 linear feet of 12" waterline for an area in west Statesville. McKay said the infrastructure improvements would aid Millard Refrigeration Services and its 30 employees, along with the community in general and other prospective industries. He said that due to costs, it might be necessary to reduce the tank's size to 700,000 gallons. (Mr. McKay then shared the following data that shows the various sources of funds for the tank and waterline.)

Iredell County CDBG-ED Grant West Farms/Millard Refrigerated Services Sources of Funds		
CDBG	\$ 240,000.00	Tank
West Farm	200,000.00	Tank
Committee of 100	100,000.00	Flex
EnergyUnited	240,000.00	Tank
Millard	98,685.00	Sewer Pump Station
Iredell County	112,800.00	Sewer Forcemain & flex
EnergyUnited Water Corp.	209,020.00	All of waterline, water project engineering, and portion of contingencies
	\$ 1,200,505.00	

No one else desired to speak, and Chairman Tice adjourned the hearing. (No action from the board was needed.)

Chairman Tice declared the meeting to be in a public hearing for the purpose of receiving citizen comments regarding the 2003 Revaluation & the Market Value Schedule and the Present Use Value Schedule.

Market Value Schedule of Values and Present Use Schedule of Values in Conjunction with the 2003 Revaluation: County Assessor Brent Weisner requested adoption of the referenced Schedules on December 3, 2002.

Commissioner Johnson asked about the capitalization rate in the Present Use Value Schedule. Specifically, he asked if the county had some “leeway” in the establishment of the rate.

Weisner said yes, between six and seven percent. He said the higher the capitalization rate, the lower the price break.

Charles Cavin, of Troutman, N.C., requested fairness in the revaluation. He said many families were suffering due to the economy, and that many were on fixed incomes. Mr. Cavin also requested the board members to use wisdom in the handling and spending of taxpayer funds.

No one else requested to speak, and Chairman Tice adjourned the hearing.

MOTION by Commissioner Bowles to establish the date for the adoption of the Market Schedule of Values and the Present Use Value Schedule for Tuesday, December 3, 2002.

VOTING: Ayes – 5; Nays – 0.

----- CONSENT AGENDA -----

MOTION by Commissioner Johnson to approve the following eight (8) consent agenda items.

VOTING: Ayes – 5; Nays – 0.

- Request for Approval of the October Refunds and Releases** (The following releases and refunds were approved.)

<u>Breakdown of Releases:</u>		\$ 70,674.20
County	\$ 44,560.73	
Solid Waste Fees	180.00	
E. Alexander Co. Fire #1	53.80	
Shepherd’s Fire #2	81.49	
Mt. Mourne Fire #3	191.70	
All County Fire #4	2,122.94	
Statesville City	5,814.41	
Statesville Downtown	0.00	
Mooresville Town	15,207.33	
Mooresville Downtown	0.00	
Mooresville School	2,194.16	
Love Valley	0.00	
Harmony	33.77	
Troutman	233.87	

<u>Breakdown of Refunds:</u>		\$ 26,306.03
County	14,826.63	
Solid Waste Fees	147.00	
E. Alexander Co. Fire #1	0.00	
Shepherd’s Fire #2	133.69	
Mt. Mourne Fire #3	10.67	
All County Fire #4	536.72	
Statesville City	84.75	
Statesville Downtown	0.00	
Mooresville Town	7,880.95	
Mooresville Downtown	0.00	
Mooresville School	2,322.95	
Love Valley	0.00	
Harmony	0.00	

2. **Request from the North Carolina Department of Transportation for the Abandonment of a Portion of SR 1106 – Bridges Farm Road** (During the briefing, Planning Supervisor Smith explained that the Department of Transportation was requesting the abandonment of a portion (1,565 linear feet) of the Bridges Farm Road. He said the planning department had reviewed the request and recommended approval.)

3. **Request for Approval of Budget Amendment #s 16 & 17 (#16 will recognize \$80,500 from a North Carolina Department of Transportation Grant & #17 will create an Indirect Cost Line Item to be used for Transportation Grant Reporting:** (At the briefing, Finance Director Blumenstein said the Department of Transportation had awarded \$80,500 from Discretionary Rural General Public funds to provide additional transportation services. She said Budget Amendment #16 recognized the revenue and appropriated it to Contracted Services. Blumenstein said Amendment #17 was for bookkeeping purposes (posting of a journal entry each month recognizing 1/12 of the annual indirect cost as an expenditure for the transportation service and as a revenue to the general fund).

4. **Request for Approval of Budget Amendment #18 for the Recognition of the Reduction in Public School Building Capital Funds in the Amount of \$773,040 due to Action by the North Carolina General Assembly:** (Finance Director Blumenstein said at the briefing session that the budget adopted by the General Assembly excluded the annual appropriation of Public School Building Capital funds (PSBCF) from corporate income taxes. She said instead, the funds were directed to school operations, and that due to the Iredell County FY 02-03 budget listing PSBCF for capital outlay, a correction needed to be made. (The Iredell-Statesville School System submitted the following listing that shows line item reductions necessary to reflect the change.)

Iredell-Statesville Schools			
FY July 1, 2002-June 30, 2003			
	Budget	Increase (Decrease)	Amended Budget
Third Creek Elementary	477,505.00	(44,127.00)	433,378.00
Future School Construction	234,656.00	234,656	
Annual Renovations	410,000.00	40,000.00	450,000.00
Bus Garage Addition	485,000.00	(189,000.00)	296,000.00
Roofing	325,000.00	(25,000.00)	300,000.00
Boiler/HVAC	200,000.00	(100,000.00)	100,000.00
Mobile Unit Set-up	150,000.00	25,000.00	175,000.00
Maintenance Vehicles	69,605.00	(251.00)	69,354.00
Buses	250,000.00	(5,000.00)	245,000.00
Paving	100,000.00	(10,000.00)	90,000.00
Waste water	300,000.00	(200,000.00)	100,000.00
Furniture/Equipment	410,000.00	(6,000.00)	404,000.00
Technology	174,000.00	(24,000.00)	150,000.00
Total	\$3,585,766.00	(773,034.00)	\$2,812,732.00

(Note: Commissioner Johnson stressed the fact that Budget Amendment #18 was due to action by the Governor of North Carolina along with the General Assembly, and not by any action of the board of commissioners.)

5. **Request for County Manager Authorization to Sign on Behalf of the County, a One-Year Lease Agreement Regarding Eight (8) Acres of County Property to be used for Agricultural Purposes by Craig Wagoner:** (Support Services Director Jim Vernon said during the briefing that Craig Wagoner desired to lease pasture land behind the Agricultural Resource Center for one year at \$25 per acre. He said the leasing would also aid the county by reducing the maintenance costs for mowing, and the presence of grazing cattle would blend in with the area.)

6. Request for Approval of the November 4, 2002 Minutes

7. Request for the Acceptance of a Proposal from the Bank of America to Refinance a Portion of the Outstanding 1992 Certificates of Participation (COPs) at an Interest Rate of 2.85% (Finance Director Blumenstein advised during the briefing that two banking proposals had been received for the direct placement financing on the 1992 COPs. She said one proposal was from Bank of America at an interest rate of 2.85% and the other was from BB&T at 2.97%. Mrs. Blumenstein recommended Bank of America's rate at 2.85.

8. Request for Approval of a Contract with Benchmark Consulting for the Preparation of a Community Block Development Grant Application for the Scattered Site Housing Grant not to exceed \$10,000 & to set December 3 and December 17, 2002 as Public Hearing Dates (The county manager had previously advised that Centralina Council of Governments, Lindsey Consulting, and Benchmark Consulting had submitted proposals to provide the necessary application for the \$400,000 scattered site housing grant. The manager recommended Benchmark's proposal at a cost of \$10,000.) (Note: The \$10,000 is included in the \$400,000 and is an allowable expenditure. Also, the application completion is separate from the actual grant administration.)

-----**END OF CONSENT AGENDA**-----

Request for the Adoption of a Resolution Calling for a Public Hearing on December 17, 2002 Concerning the Refinancing of a Portion of Outstanding Series 2000 Installment Payment Revenue Bonds: Chairman Tice introduced the following resolution that was read by title and summarized by the Director of Finance and Administration.

RESOLUTION CALLING A PUBLIC HEARING
CONCERNING THE REFINANCING, PURSUANT TO AN
INSTALLMENT FINANCING AGREEMENT, OF A PORTION OF THE
OUTSTANDING INSTALLMENT PAYMENT REVENUE
BONDS (IREDELL COUNTY SCHOOL PROJECTS), SERIES 2000
ISSUED BY IREDELL COUNTY PUBLIC FACILITIES CORPORATION

WHEREAS, in order to achieve debt service savings, the Board of Commissioners for the County of Iredell, North Carolina (the "County") is considering the refinancing, pursuant to a first supplemental installment financing agreement (the "Agreement") to be entered into with Iredell County Public Facilities Corporation (the "Corporation"), of a portion of the County's payment obligations under that certain Installment Financing Agreement, dated as of July 1, 2000, by and between the County and the Corporation, by refunding a portion of the Corporation's outstanding Installment Payment Revenue Bonds (Iredell County School Projects), Series 2000; and

WHEREAS, the Agreement, if entered into, will comply in all respects with Section 160A-20 and Chapter 159, Article 8 of the General Statutes of North Carolina and the guidelines of the Local Government Commission of North Carolina for all financings and refinancings undertaken pursuant to said Section; and

WHEREAS, said Section 160A-20 requires that, before entering into an installment financing agreement involving real property, the County shall hold a public hearing on such agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners for the County of Iredell:

Section 1. A public hearing with respect to the Agreement is hereby directed to be held on Tuesday, December 17, 2002, at 7:00 P.M., in the Commissioners' Meeting Room at the Iredell County Government Center in Statesville, North Carolina.

Section 2. The Clerk to the Board of Commissioners is hereby directed to publish notice of said public hearing, in substantially the following form, once at least ten (10) days prior to the date of the public hearing as required by Section 160A-20(g) of the General Statutes of North Carolina:

NOTICE OF PUBLIC HEARING BY
THE BOARD OF COMMISSIONERS
FOR THE COUNTY OF IREDELL,
NORTH CAROLINA, CONCERNING
THE REFINANCING, PURSUANT TO AN
INSTALLMENT FINANCING AGREEMENT, OF
A PORTION OF THE OUTSTANDING INSTALLMENT
PAYMENT REVENUE BONDS (IREDELL COUNTY SCHOOL
PROJECTS), SERIES 2000 ISSUED BY IREDELL COUNTY
PUBLIC FACILITIES CORPORATION

NOTICE IS HEREBY GIVEN to all interested persons that the Board of Commissioners for the County of Iredell, North Carolina (the "County") is considering the refinancing, pursuant to an Installment Financing Agreement (the "Agreement") with Iredell County Public Facilities Corporation (the "Corporation"), a North Carolina non-profit corporation, of a portion of the County's payment obligations under that certain Installment Financing Agreement, dated as of July 1, 2000, by and between the County and the Corporation, by refunding a portion of the Corporation's outstanding Installment Payment Revenue Bonds (Iredell County School Projects), Series 2000 (the "2000 Bonds"). It is expected that the Corporation will issue its Installment Payment Revenue Refunding Bonds (Iredell County School Projects), Series 2003 (the "Series 2003 Bonds") in an aggregate principal amount not exceeding \$21,000,000 for the purpose of providing funds, together with other available funds, to (i) refund a portion of the 2000 Bonds and (ii) pay the expenses incurred in connection with the issuance of the Series 2003 Bonds.

NOTICE IS HEREBY FURTHER GIVEN that the Board of Commissioners will hold a public hearing in the Commissioners' Meeting Room at the Iredell County Government Center in Statesville, North Carolina, on December 17, 2002, at 7:00 P.M., or an adjournment thereof, at which time any person may be heard regarding the proposed Agreement.

COUNTY OF IREDELL, NORTH CAROLINA
By: Jean C. Moore
Clerk to the Board of Commissioners

Section 3. This resolution shall take effect upon its passage.

Upon motion of Chairman Tice, the foregoing resolution entitled: "RESOLUTION CALLING A PUBLIC HEARING CONCERNING THE REFINANCING, PURSUANT TO AN INSTALLMENT FINANCING AGREEMENT, OF A PORTION OF THE OUTSTANDING INSTALLMENT PAYMENT REVENUE BONDS (IREDELL COUNTY SCHOOL PROJECTS), SERIES 2000 ISSUED BY IREDELL COUNTY PUBLIC FACILITIES CORPORATION" was passed by the following vote:

Ayes – 5; Nays – 0.

Request for the Adoption of a Resolution Calling for a Public Hearing on December 2, 2002, at 9:00 a.m., Concerning the Refinancing of Outstanding Certificates of Participation: Chairman Tice introduced the following resolution that was read by title and summarized by the Director of Finance and Administration.

RESOLUTION CALLING A PUBLIC HEARING
CONCERNING THE REFINANCING, PURSUANT
TO AN INSTALLMENT FINANCING AGREEMENT,
OF OUTSTANDING CERTIFICATES OF PARTICIPATION
(1992 IREDELL-STATESVILLE SCHOOL PROJECTS)

WHEREAS, in order to achieve debt service savings, the Board of Commissioners for the County of Iredell, North Carolina (the "County") is considering the refinancing, pursuant to an installment financing agreement (the "Agreement") to be entered into with Iredell County Public Facilities Corporation (the "Corporation"), of the County's obligations under that certain Installment Financing Agreement, dated as of December 1, 1992, by and between the County and the Corporation, by refunding the outstanding Certificates of Participation (1992 Iredell-Statesville School Projects) executed and delivered by the Corporation; and

WHEREAS, the Agreement, if entered into, will comply in all respects with Section 160A-20 and Chapter 159, Article 8 of the General Statutes of North Carolina and the guidelines of the Local Government Commission of North Carolina for all financings and refinancings undertaken pursuant to said Section; and

WHEREAS, said Section 160A-20 requires that, before entering into an installment financing agreement involving real property, the County shall hold a public hearing on such agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners for the County of Iredell:

Section 1. A public hearing with respect to the Agreement is hereby directed to be held on Monday, December 2, 2002, at 9:00 A.M., in the Commissioners' Meeting Room at the Iredell County Government Center in Statesville, North Carolina.

Section 2. The Clerk to the Board of Commissioners is hereby directed to publish notice of said public hearing, in substantially the following form, once at least ten (10) days prior to the date of the public hearing as required by Section 160A-20(g) of the General Statutes of North Carolina:

NOTICE OF PUBLIC HEARING BY
THE BOARD OF COMMISSIONERS
FOR THE COUNTY OF IREDELL,
NORTH CAROLINA, CONCERNING
THE REFINANCING, PURSUANT TO AN
INSTALLMENT FINANCING AGREEMENT, OF
OUTSTANDING CERTIFICATES OF PARTICIPATION
(1992 IREDELL-STATESVILLE SCHOOL PROJECTS)

NOTICE IS HEREBY GIVEN to all interested persons that the Board of Commissioners for the County of Iredell, North Carolina (the "County") is considering the refinancing, pursuant to an Installment Financing Agreement (the "Agreement") with Iredell County Public Facilities Corporation (the "Corporation"), a North Carolina non-profit corporation, of the County's obligations under that certain Installment Financing Agreement, dated as of December 1, 1992, by and between the County and the Corporation, by refunding the outstanding Certificates of Participation (1992 Iredell-Statesville School Projects) (the "1992 Certificates"), executed and delivered by the Corporation. It is expected that the Corporation will issue its Installment Payment Revenue Refunding Bonds (Iredell County School Projects) Series 2002 (the "Series

2002 Bonds”) in an aggregate principal amount not exceeding \$6,000,000 for the purpose of providing funds, together with other available funds, to (i) refund the 1992 Certificates and (ii) pay the expenses incurred in connection with the issuance of the Series 2002 Bonds.

NOTICE IS HEREBY FURTHER GIVEN that the Board of Commissioners will hold a public hearing in the Commissioners' Meeting Room at the Iredell County Government Center in Statesville, North Carolina, on December 2, 2002, at 9:00 A.M., or an adjournment thereof, at which time any person may be heard regarding the proposed Agreement.

COUNTY OF IREDELL, NORTH CAROLINA

By: Jean C. Moore

Clerk to the Board of Commissioners

Section 3. This resolution shall take effect upon its passage.

Upon motion of Commissioner Williams, the foregoing resolution entitled: "RESOLUTION CALLING A PUBLIC HEARING CONCERNING THE REFINANCING, PURSUANT TO AN INSTALLMENT FINANCING AGREEMENT, OF OUTSTANDING CERTIFICATES OF PARTICIPATION (1992 IREDELL-STATESVILLE SCHOOL PROJECTS)" was passed by the following vote:

Ayes – 5; Nays – 0.

ANNOUNCEMENT OF VACANCIES OCCURRING ON BOARDS & COMMISSIONS

Planning Board (1 announcement)

Adult Care Home Community Advisory Committee (1 announcement)

APPOINTMENTS TO BOARDS & COMMISSIONS

Region F Aging Advisory Committee (1 alternate appointment): No nominations were submitted, and Chairman Tice moved to postpone this appointment until the December 3 meeting.

VOTING: Ayes – 5; Nays – 0.

Nursing Home Advisory Committee (2 appointments): No nominations were submitted, and Chairman Tice moved to postpone these two appointments until the December 3 meeting.

VOTING: Ayes – 5; Nays – 0.

Adult Care Home Community Advisory Committee (3 appointments): No nominations were submitted, and Chairman Tice moved to postpone these appointments until the December 3 meeting.

VOTING: Ayes – 5; Nays – 0.

Centralina Workforce Development Board (1 appointment): No nominations were submitted, and Chairman Tice moved to postpone this appointment until the December 3 meeting.

VOTING: Ayes – 5; Nays – 0.

I-CARE Inc., Board of Directors (1 appointment): Commissioner Ray nominated William Summers.

No further nominations were submitted, and Chairman Tice moved to close the nominations and appoint Mr. Summers by acclamation.

VOTING: Ayes – 5; Nays – 0.

ADJOURNMENT: MOTION by Chairman Tice at 8:30 p.m., to recess the meeting until Monday, December 2, 2002 at 9:00 a.m., at the Iredell County Government Center, (Commissioners' Meeting Room) 200 South Center Street, Statesville, NC.

VOTING: Ayes – 5; Nays – 0.

Approved: _____

Clerk to the Board