

**IREDELL COUNTY BOARD OF COMMISSIONERS
REGULAR MINUTES
NOVEMBER 18, 2003**

The Iredell County Board of Commissioners met in Regular Session on Tuesday, November 18, 2003, at 7:00 p.m., in the Iredell County Government Center (Commissioners' Meeting Room), 200 South Center Street, Statesville, NC.

Present were:

Chairman Steve D. Johnson
Vice Chairman Godfrey Williams
Doug Madison
Marvin Norman
Sara Haire Tice

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

CALL TO ORDER by Chairman Johnson.

INVOCATION by Commissioner Williams.

PLEDGE OF ALLEGIANCE TO THE FLAG

ADJUSTMENTS TO THE AGENDA: **MOTION** by Chairman Johnson to approve the agenda by the following adjustments.

Addition: Request from the Mooresville Graded School District for an FY 2003-04 Capital Outlay Budget Amendment in Regards to the Transfer of \$200,000 from line items for Water Sewer Services at the new Mooresville Intermediate School.

Deletion: Three Appointments to the Transportation Advisory Board (The transportation director will suggest nominees at a future meeting.)

VOTING: Ayes – 5; Nays – 0.

APPOINTMENTS BEFORE THE BOARD

Presentation of the Comprehensive Annual Financial Report for Iredell County, as of June 30, 2003, by McLelland, Rutherford & McKenzie, PA: CPA Ron McLelland advised that the county's annual financial report ending June 30, 2003 had been approved by the Local Government Commission on November 10, 2003. McLelland said his firm had rendered an "unqualified" opinion on the county's financial status for this reporting period. He said there were no reportable conditions or findings relating to noncompliance to state and federal awards, laws, or regulations. Mr. McLelland stated that as required, Governmental Accounting Standards Board (GASB) Statement Number 34 had been implemented during the 2002-03 year. He said the GASB standards required significant changes in the audit pertaining to terminology and presentation. He said the basic financial statement was presented on the full accrual or commercial basis of the county, while the fund financial statements continued to be presented in the modified accrual method.

Financial Director Blumenstein said the management discussion and analysis information included the following financial highlights.

- *The assets of Iredell County, North Carolina exceeded its liabilities at the close of the fiscal year by \$76,667,166 (net assets).*
- *The government's total net assets increased by \$6,278,828, primarily due to increased net assets in the General Fund.*
- *At the end of the current fiscal year, Iredell County, North Carolina's governmental funds reported combined ending fund balances of \$29,210,584, a decrease of \$3,757,593 in*

comparison with the prior year. The decrease resulted from expenditures made for multi-year capital projects. Approximately 64% of this total amount, or \$18,596,037 is available for spending at the government's discretion (unreserved fund balance).

- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$11,439,575 or 11.49% of total general fund expenditures for the fiscal year.

- The County's total debt increased by \$6,177,015 (6%) during the current fiscal year. This increase includes a \$3,510,000 160A-20 installment purchase financing with Bank of America, NA for the renovation of the Iredell County Government Center-South (a former hospital facility owned by HMA) and retirement of the \$1,900,000 note issued to HMA for the purchase of the building. In addition, the County refunded bonds from two outstanding debt issues in order to reduce the effective interest rate and reduce annual payments. In December 2002, \$6,720,000 in outstanding 1992 Certificates of Participation were refunded by issuing new debt of \$5,455,000 and applying the 1992 debt service reserve funds towards the outstanding balance. \$15,260,000 of the outstanding 2000 Installment Payment Revenue Bonds were refunded in February 2003. The face value of the variable rate 2003 Installment Payment Revenue Refunding Bonds is \$18,020,000, an increase of \$2,760,000. The County entered into a swap agreement with Bank of America, NA fixing the interest rate at 3.30%.

- Renovations were completed at the Hall of Justice Annex, providing additional courtrooms and office space for court staff as well as office space for the Iredell County Register of Deeds. These renovations were funded from the Capital Reserve Fund.

- Architectural plans were completed for the new \$6.6 million Iredell County Public Library. The County is funding \$5.35 million of the total project costs, and the City of Statesville, having entered into an inter-local agreement with the County, will provide one million dollars. Approximately \$250,000 of the cost is being donated.

- The County officially opened Stumpy Creek Park, a multi-functional outdoor facility located on Lake Norman.

- Iredell County, North Carolina maintained its Aa3 bond rating for the sixth consecutive year.

Request for Continued Discussion/Decision Regarding FY 03-04 Juvenile Justice Funds: County Manager Mashburn said that originally the Juvenile Crime Prevention Council (JCPC) allocated \$21,051 to Crossroads and \$9,453 to Don-Lin Counseling FY 03-04. He said the two agencies planned to provide "intensive services where drug abuse was a factor." Mashburn said the decision left out the Counseling Center of Iredell (CCI), a former funding recipient. He said the CCI board members recently appeared before the commissioners seeking additional review of the JCPC decision. Mashburn said the JCPC recently met with the CCI board members and explained to them what was needed for funding. He said the JCPC then held a meeting and voted to appropriate \$10,000 to CCI for "nonsubstance abuse clientele sessions only."

MOTION by Commissioner Madison to appropriate \$10,000 to the Counseling Center of Iredell by accepting \$7,160 in additional JCPC funds and by transferring \$2,840 from the JCPC training and administrative line item, and in addition, to allocate previously unallocated funds of \$21,051 to Crossroads Behavioral Healthcare and \$9,453 to Don-Lin Counseling Service. (The motion will also approve **Budget Amendment #15** for the additional \$7,160 for the pass through to the Counseling Center.)

VOTING: Ayes – 5; Nays – 0.

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

MOTION by Chairman Johnson to approve the following nine (9) consent agenda items.

VOTING: Ayes – 5; Nays – 0.

1. Request for Continued Discussion/Decision Regarding Work Stations for the Clerk of Court's Office: This request for four work stations was approved, and the funding will be derived by transferring \$16,600 (cost of the work stations) out of unspent Iredell County Government Center-South funds (\$38,625) that had been budgeted for security. (See briefing minutes for additional details.)

2. Request for Approval of the October Refunds and Releases: At the briefing, County Assessor Bill Doolittle recommended approval of the following refunds and releases.

2003 OCTOBER TAX RELEASES & REFUNDS		
	Releases	Refunds
County	98,630.73	1,157.48
Solid Waste Fees	1,634.50	13.00
East Alexander Co. Fire #1	1.88	0
Shepherd's Fire # 2	564.62	457.88
Mount Mourne Fire # 3	283.63	170.46
All County Fire # 4	5,569.23	1,373.98
Statesville City	3,095.71	513.40
Statesville Downtown	26.91	0
Mooresville Town	38,627.57	1,467.63
Mooresville Downtown	16.74	0
Mooresville School	7,943.32	368.71
Love Valley	0	0
Harmony	17.21	0
Troutman	199.60	0
Total	\$156,611.65	\$5,522.54
A complete listing of the individual tax releases and refunds is hereby incorporated into the minutes by reference.		

3. Request for Approval of an Amended Resolution for the North Carolina Local Government Debt Setoff Program: County Assessor Bill Doolittle explained at the 5:00 p.m., meeting that a resolution was approved on December 18, 2001, that allowed the county to participate in a debt setoff program. He said the resolution designated former County Assessor, Brent Weisner, as the person to conduct any debt setoff hearings. Doolittle said the resolution needed to be amended to reflect that someone else would assume these duties. (The board amended the resolution as follows and designated County Assessor Bill Doolittle as the person to hold any hearings or proceedings resulting from the program.)

AMENDMENT TO THE RESOLUTION ADOPTING THE
NORTH CAROLINA LOCAL GOVERNMENT
DEBT SETOFF PROGRAM

WHEREAS, NCGS Chapter 105A, Setoff Debt Collection Act, authorizes the North Carolina Department of Revenue to cooperate in identifying debtors who owe money to local governments and who qualify for refunds from the Department of Revenue; and

WHEREAS, the law authorizes the setting off of certain debts owed to local governments against tax refunds; and

WHEREAS, the North Carolina Association of County Commissioners and the North Carolina League of Municipalities have jointly established a clearinghouse to submit debts on behalf of Iredell County, as provided by law.

NOW THEREFORE, BE IT RESOLVED by the Iredell County Board of Commissioners that Iredell County will participate in the debt setoff program and

hereby designates County Assessor Bill Doolittle as the person to hold hearings and conduct necessary proceedings.

The Chairman of the Iredell County Board of Commissioners and the Iredell County Manager are hereby authorized to execute such documents and agreements as necessary to participate in the debt setoff program.

Adopted this the 18th day of November 2003.

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4. Request for Final Approval of a Wet Detention Pond, a Bond, & an Operation and Maintenance Agreement (Owner: River Park, LLC – Location: Intersection of River Highway and McCrary Road in Mooresville, NC): Lynn Niblock, the Director for Planning and Code Enforcement, explained at the briefing that the staff recommended approval of a wet detention pond for River Park, LLC, along with the necessary bonding documents (letter of agreement in the amount of \$10,500.00) and an operation/maintenance agreement. He said the pond had been completed and inspected in accordance with Section 507 of the Iredell County Watershed Protection Ordinance.

5. Request from the Sheriff’s Department for Approval of Budget Amendment #16 to Recognize Federal Equity Sharing Funds (Seized Funds) of \$50,544 to Purchase a Video Enhancement System: During the briefing, Chief Deputy Dowdle said \$50,544.00 was needed to purchase an enhanced video system for the purpose of reviewing tapes submitted by merchants when crimes occurred. He said that at the present, the merchants were using different video systems, and enhanced equipment would aid in the investigations.

6. Request from the Sheriff’s Department for Approval of Budget Amendment #17 to Recognize Funds (\$13,000) Received from the Controlled Substance Tax and to Appropriate the Funds for the Purchase of a Replacement Vehicle for the Narcotics Division: Chief Deputy Dowdle explained during the briefing that the vehicle presently being used in the narcotics division had high mileage. He requested permission to purchase a used car as a replacement.

7. Request for Approval to Apply for a Hazardous Mitigation Planning Grant: During the briefing session, Emergency Services Director Jackson said a Hazard Mitigation Plan had already been submitted to the state; however, the Federal Emergency Management Agency had now changed its standards. He requested permission to apply for a grant that would enable his office to contract with Eplan, LLC for an update to the plan. Jackson said Eplan’s owner, Larry Dickerson, was familiar with the original plan, since he helped draft it. Jackson said Dickerson’s quote for the work was \$5,110. He said the grant, if awarded to the county, would be for \$3,833 and the local match would be \$1,277.

8. Request for Permission to add Ten Additional Seats to the Local Emergency Planning Committee (LEPC): Also during the briefing, Emergency Services Director Jackson explained the need for more representation on the LEPC. He requested to add three positions to be filled by representatives from emergency hazardous substance facilities, three law enforcement representatives, one additional representative from emergency management, and three to represent educational systems.

9. Request for Approval of the November 4, 2003 Minutes

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

ANNOUNCEMENT OF VACANCIES OCCURRING ON BOARDS & COMMISSIONS

Recreation Advisory Board (1 announcement)

Local Emergency Planning Committee (3 announcements)

APPOINTMENTS TO BOARDS & COMMISSIONS

Personnel Advisory Board (1 appointment): No nominations were submitted, and Chairman Johnson motioned to postpone this appointment until the December 2 meeting.

VOTING: Ayes – 5; Nays – 0.

Adult Care Home Community Advisory Committee (4 appointments): Commissioner Madison nominated Rodney Creech and Holly Allison.

No other nominations were submitted, and Chairman Johnson motioned to close the nominations and appoint Creech and Allison by acclamation.

VOTING: Ayes – 5; Nays – 0.

Animal Grievance Committee (1 appointment): Commissioner Williams nominated Cynthia G. Andrews.

No other nominations were submitted, and Commissioner Madison motioned to close the nominations and appoint Andrews by acclamation.

VOTING: Ayes – 5; Nays – 0.

Community Advisory Committee for Disabled Adults (CAP-DA) (6 appointments): No nominations were submitted, and Chairman Johnson motioned to postpone these appointments until the next meeting.

VOTING: Ayes – 5; Nays – 0.

Criminal Justice Partnership Program (5 appointments): Commissioner Tice nominated Marvin Norman and Joel Mashburn.

Commissioner Williams nominated Susan Stroud and David Crosby.

Commissioner Madison nominated Billie Fae Gill.

Chairman Johnson motioned to close the nominations and appoint Norman (commissioner representative), Mashburn (county manager), Stroud (community services representative), Crosby (mental health representative) and Gill (at-large representative) by acclamation.

VOTING: Ayes – 5; Nays – 0.

Board of Health (2 appointments): Commissioner Tice nominated Dr. Ben Bowen.

Commissioner Williams nominated Grady Mills.

Commissioner Madison motioned to close the nominations and to appoint Bowen (physician representative) and Mills (public representative) by acclamation.

VOTING: Ayes – 5; Nays – 0.

Home & Community Care Block Grant Committee (3 appointments): Commissioner Madison nominated Tracy Hill and Sue Walser.

Commissioner Tice nominated Doug Madison.

Commissioner Norman motioned to close the nominations and to appoint Hill (DSS representative), Walser (Kings Grant Retirement Home representative) and Madison (commissioner representative) to the HCCBG Committee.

VOTING: Ayes – 5; Nays – 0.

Information & Referral Service (1 appointment): Commissioner Tice nominated Norma Rife for a reappointment.

Commissioner Madison motioned to close the nominations and appoint Rife by acclamation.

VOTING: Ayes – 5; Nays – 0.

Recreation Advisory Committee (2 appointments): Commissioner Williams nominated David Rothwell and Bill Benfield.

Commissioner Tice motioned to close the nominations and to appoint Rothwell and Benfield by acclamation.

VOTING: Ayes – 5; Nays – 0.

Board of Adjustment (2 appointments): Commissioner Tice nominated Michael Johnson and Steve Shoe for reappointments.

Chairman Johnson motioned to close the nominations and to appoint Mike Johnson and Steve Shoe by acclamation.

VOTING: Ayes – 5; Nays – 0.

Crossroads Behavioral Healthcare Board of Directors (1 appointment): Commissioner Williams nominated Iris Mayberry.

Chairman Johnson motioned to close the nominations and to appoint Mayberry by acclamation.

VOTING: Ayes – 5; Nays – 0.

Crossroads Behavioral Healthcare’s Consumer & Family Advisory Committee (3 appointments): Commissioner Williams nominated Wanda Mayes, Dottie Harrison, and Cecil Maynor.

Chairman Johnson motioned to close the nominations and appoint Mayes, Harrison, and Maynor by acclamation.

VOTING: Ayes – 5; Nays – 0.

Community Advisory Committee for Disabled Adults (CAP-DA) (6 appointments): Commissioner Williams nominated Wendy Werts-Ivey, Carolyn Lamb, Leigh Darty, Ashley Drum, Tracy Hill, and Renae Karriker.

Commissioner Tice motioned to close the nominations and to appoint Werts-Ivey (Council on Aging), Lamb (DSS), Darty (Hospice), Drum (Gentiva Health Services) Hill (DSS), and Karriker (Brian Center Health and Retirement) by acclamation.

VOTING: Ayes – 5; Nays – 0.

(Note: These appointments were postponed earlier in the meeting due to the board members not realizing the six individuals were interested in serving.)

COUNTY MANAGER’S REPORT

Presentation from Finance Director Susan Blumenstein regarding the 2003 Certificates of Participation (COPS) and an update on Sales Tax Revenues

COPS

Blumenstein distributed Preliminary Official Statements (POS) for the 2003 COPS. She said the POS was in the amount of \$40,230,000.00, and this included the possible refunding of the 2002 installment note with the Bank of America. Mrs. Blumenstein said that, recently, most of the documents relating to the 2003 issuance were in the amount of \$47,000,000.00, and the reason for the higher amount was due to not having all of the bids. She said that if the bids had exceeded the working amount, then, it would have been necessary to abandon all previous work, and to start the process all over. She gave the following estimated architectural costs for the COPS projects (Woodland Heights Elementary, Harmony Elementary, Scotts Elementary, Mooresville Intermediate, and Mitchell College).

	<u>Total for all Projects</u>	
Construction & site development	\$35,785,826	
Offsite DOT Road Improvements	750,000	
Water/Sewer Extension	650,000	
Architect’s fees	2,155,778	
Other costs		
Offsite design	5,000	
Soil testing	85,000	
Other	177,000	
Furniture/Equipment	1,282,064	
Contingency	<u>1,564,487</u>	
Project Totals	\$42,455,155	
Deduct Local Funding	(5,232,545)	(already in place)
Total	37,222,610	
Add: Estimated Closing costs	<u>661,765</u>	
Amount to be Borrowed:	<u>\$37,884,375</u>	

Mrs. Blumenstein said the Local Government Commission required at least a 3% net present value savings on existing debt refinancings/refundings, and for this reason, the Bank of America refinancing probably would not occur. She said the estimated savings at this time appeared to be around 1.5%, and if the refinancing did not occur, the \$40,230,000.00 would be reduced by \$3.5 million. She said the 2003 issuance would be for 20-year bonds, and the “all-in interest” (interest + all closing costs) would be around 4.3%.

Commissioner Williams asked Blumenstein to comment on the county’s present indebtedness.

Blumenstein said bond rating agencies looked at the proportion of debt service to the entire general fund budget. She said the county was at about 10%, and the rating agencies typically became concerned if counties were over 15%. Mrs. Blumenstein said that when the county was compared to other like-sized counties, it had considerably less debt. She said that as the general fund grew, and the debt didn’t change, the percentage dropped proportionately.

REVENUE FROM SALES TAXES

Blumenstein said sales tax distributions were now being received on a monthly basis instead of the previous quarterly cycle. She said last week, the third monthly report was received. Blumenstein mentioned that for 2003-04, revenues were being

received from the 2002 1/2¢ tax. She said this tax had yielded \$1,051,805 for the first quarter. Blumenstein then shared the following sales tax information.

<u>July/August/September 2003-2004</u>		<u>2002-2003 (July/August/September)</u>
1¢	\$2,559,064	\$ 2,599,125
1983 1/2¢	1,128,803	1,243,349
1986 1/2¢	1,113,417	<u>1,230,407</u>
2002 1/2¢	<u>1,051,805</u>	
	<u>\$5,853,088</u>	<u>\$5,072,881</u>

Blumenstein said the 1¢ tax was distributed on a point of delivery method and the 1/2¢ taxes were distributed to each county using the state’s overall population. Mrs. Blumenstein said the amounts revealed that the county was stable in the point of delivery method, but the statewide economy was affecting Iredell’s other tax revenues (1/2¢ taxes).

Chairman Johnson asked if it would be fair to say that the sales taxes generated in Iredell County were being sent somewhere else.

Blumenstein said this was a fair statement. She said that for example, if there was a taxable good produced here, but it was delivered in Wake County, then Wake County received the tax. She said that if a Wake County business drove to Iredell to pick up the good, then Iredell County received the tax (point of delivery). Blumenstein said two years ago, the point of sale method was changed by the legislature to the current point of delivery system in an effort to recoup lost revenues from Internet sales. She said this action had “stunted” the county’s growth.

Insurance Services Office (ISO): County Manager Mashburn said ratings had been received from the ISO pertaining to the inspections department. He said the ISO rated county inspections departments in a 1 to 10 scale with 1 being the highest. Mashburn said that in the commercial division, the county was ranked at a 4, and it was previously at a 5. In the dwellings division, the county moved from a 9 to a 5. He said the only reason the county did not receive higher ratings was due to the fact that Iredell County had fewer inspectors than like-sized counties.

Farm-City Dinner: Mashburn reminded the group that the annual Farm-City Dinner would be held Tuesday, November 25, 2003, 6:30 p.m., at the Agricultural Center. He said the program this year would pertain to the new library.

Winter Retreat: Mashburn said that at the briefing, he had suggested that the winter retreat be held on February 13-14, 2004, at the Agricultural Center.

Chairman Johnson said that in addition to a Tax Incremental Financing discussion at the retreat, he would like some time allotted for a presentation from the Emergency Communication Task Force.

ADJOURNMENT: MOTION by Chairman Johnson at 7:50 p.m., to adjourn the meeting. **NEXT MEETING:** Tuesday, December 2, 2003 at 5:00 p.m., and 7:00 p.m., in the Iredell County Government Center, 200 South Center Street, Statesville, NC 28677.

VOTING: Ayes – 5; Nays – 0.

Approved: _____

Clerk to the Board