

**IREDELL COUNTY BOARD OF COMMISSIONERS  
REGULAR MINUTES  
OCTOBER 16, 2001**

The Iredell County Board of Commissioners met in Regular Session on Tuesday, October 16, 2001, at 7:00 p.m., in the Iredell County Government Center, 200 South Center Street, Statesville, NC.

Present: Chairman Sara Haire Tice  
Vice Chairman Steve D. Johnson  
Tommy E. Bowles  
Karen B. Ray  
R. Godfrey Williams (Arrived at the meeting at approximately 7:15 p.m.)

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

**CALL TO ORDER** by Chairman Tice.

**INVOCATION** by Commissioner Ray.

**PLEDGE OF ALLEGIANCE TO THE FLAG**

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

Additions:

- Request for Approval of Budget Amendment #12 for the Recognition of Additional Funds from the North Carolina Department of Transportation for the Rural Operating Assistance Program (pass-through grant for the Iredell Transportation Authority)
- Request for the County Manager and Library Director to Develop a Policy Regarding Branch Libraries
- Closed Session Regarding Personnel/G.S. 143-318.11 (a) (6)

VOTING: Ayes – 4; Nays – 0.

**APPOINTMENTS BEFORE THE BOARD**

**Presentation and Approval of a Resolution to Recognize the Problem of Child Abuse (Candlelight Vigil to be Held on October 22, 2001):** **MOTION** by Chairman Tice to approve the following resolution.

VOTING: Ayes – 4; Nays – 0.

***RESOLUTION RECOGNIZING THE PROBLEM OF  
CHILD ABUSE***

***WHEREAS***, abuse and neglect of children is a family and societal problem of local, state, and national significance; and

***WHEREAS***, it is important to recognize that children are abused at the hands of their parents and caregivers; and

***WHEREAS***, 30 children are known to have died in North Carolina in the year 2000 due to abuse or neglect that was inflicted upon them by their parents or caregivers; and

***WHEREAS***, it is important to remember the 30 known innocents who died in North Carolina during the year 2000.

***NOW, THEREFORE BE IT RESOLVED***, that the Iredell Board of Commissioners calls upon Iredell County communities to dedicate October 22, 2001, as a day of remembrance for the unknown number of children who have died as a direct result of abuse and neglect and for the 30 innocent children known to have died due to abuse and neglect in North Carolina during the year of 2000.

***BE IT FURTHER RESOLVED**, that the Iredell County Board of Commissioners encourages the public to attend a Candlelight Vigil to be held Monday, October 22, 2001, 5:30 p.m., at the First Baptist Church, 815 Davie Avenue, Statesville, NC to remember these young victims and to focus on the problem of child abuse.*

Chairman Tice presented the adopted resolution to Mr. Randall Weatherman, the Chairman of the Candlelight Vigil Committee.

## **PUBLIC HEARING**

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

### **Consideration of an Installment Financing Agreement Regarding the Purchase of the former Lowrance Hospital/Lake Norman Regional Medical Facility located at 659 East Center Avenue, in Mooresville, NC, in an Amount not to Exceed \$3.4 Million:**

(Commissioner Williams arrived during this segment of the meeting.)

Finance Director Blumenstein said the proposal before the board was for the county to enter into an installment financing agreement with the owner of the former Lowrance Hospital property for a period of six months. She said there would be an interest rate of 5.5% to purchase the property for \$1.9 million. Blumenstein said the interest expected through the end of this fiscal year, if the transaction closed in early December, would be \$52,250. She said interest in the amount of \$8,700 would be due next July. Mrs. Blumenstein said this was well within the amount budgeted. She said a request would be made for the interest to not exceed 5.5%.

Paul Smith (advocate) said he was representing the owner of the property (Lake Norman Regional Medical Facility/Hospital Management Association). Smith offered to answer any questions. He said expanded government and court facilities were needed in the southern end of the county, and the former hospital site would offer space for these services.

Bob Dellinger (opponent): Mr. Dellinger read and distributed copies of the following prepared remarks.

“ Thank you for letting me say a few words regarding the possible purchase of the Lowrance Hospital building in Mooresville. I am Bob Dellinger, a resident of Iredell County for over 40 years. My wife and I own four improved residential properties in Iredell County with over 40 acres of land. I have been a county commissioner, served on the planning and zoning boards, and currently serve on the zoning board of adjustment. I was Chairman of the Mitchell College Board of Trustees when the Mooresville Center of MCC was opened. It is my opinion the county should not purchase the old hospital property based upon the following reasons.

1. The property is old and lacks energy efficiency. Utility costs and long-term maintenance would be very high.
2. It has multi-levels making it difficult to access all areas.
3. According to the county tax records, the total area within the building is over 108,500 square feet. The current space needs for county offices in Mooresville is less than 15,000 square feet.
4. The reported initial cost of the property is \$1,900,000 with an estimated renovation cost for approximately 25,000 square feet to be over \$1.5 million. This is almost \$3.5 million. Renovations and upkeep of the total building would be extremely expensive.
5. Currently, the property generates tax revenues for Iredell County of \$16,696.09. Tax revenues for the Town of Mooresville is also \$16,696.09 and for the Mooresville Graded School District the annual tax revenue is \$4,440.45 for a total annual tax revenue of \$37,832.63. This revenue would cease if the county purchased the property.
6. There have been some indications the county could renovate other areas of the property for rental to local businesses. If there is a need for this amount of additional lease space in the area of this property, this would take away from private enterprises that would pay property taxes.
7. There would be limited parking available for full lease utilization of the property. The parking that would be available would not be convenient to the entrances to the building.

“As an alternative, the county should consider purchasing five to ten acres of vacant land in or near Mooresville and construct a new building with one level.

“Recently, the newly constructed Agricultural Services Building located on Bristol Road was dedicated. This building has almost 25,000 square feet of usable space and is very efficient. Cost of this building is less than \$2.5 million. A new building somewhat similar in construction and functional utilization to the Agricultural Building would provide space for the present and future for 10 to 20 years or more, at a reasonable initial cost. With the energy efficient factors, operating cost would be much lower than using an older building. A new building with adequate land for parking and possible future expansion would cost no more than the proposed purchase of the old Lowrance Hospital building with upgrading of 25,000 square feet or less of usable space.

“I would also like to point out that when the Lowrance Hospital was sold to the Mooresville Hospital Management (Lake Norman Regional Hospital) in 1985 for \$3,600,000, all of the money received was used by the Town of Mooresville in constructing the downtown civic center and in developing a South Iredell Industrial Park.

“It is hoped you will consider the ultimate tax savings and continued tax revenues that could be derived from building a new building for the Mooresville area rather than purchasing an older building that would require untold ongoing expenses.”

-----*End of Mr. Dellinger's Remarks*-----

Wayne Frick (advocate), Director of the Mooresville Downtown Development Commission, said that a year ago a study was conducted on what Mooresville needed to do for future revitalization of the downtown area. He said his commission did not specify that it wanted to include the former hospital property in the study; however, it was later learned how much the site played in the revitalization since the downtown area only encompassed 2.5 blocks. Frick said he wanted the Iredell County commissioners to consider the hospital site as “a key part in the revitalization and not an isolated entity.”

Bill Thunberg (advocate) said he was a business owner in downtown Mooresville. He said the appraised value of the former hospital site was \$3.5 million while the purchase price was only \$1.9 million. Mr. Thunberg said additional space for the courts, health services, and other governmental services were needed in Mooresville. He said that renovation to the hospital facility could be done faster than new construction. Thunberg said the revitalization would attract additional development and more revenue.

Mooresville Town Mayor Al Jones (advocate) said the purchase amount was feasible and the consolidation of services in one building would be helpful. He said there was much growth in south Iredell and the purchase would save the county in the “long run.” Jones said the most beneficial advantage of the purchase would be the reduced cost for square footage. He also said the schedule for renovating would be faster than new construction.

Tonda Gregory (advocate), President-elect for the Mooresville/South Iredell Chamber of Commerce, and the Postmaster for Mooresville, said that since 1994, there had been over a 75% growth in mail deliveries for the area. She said that for the next five to eight years, it was anticipated the growth would again double. Gregory said a new postal facility had already been built. She said long-range planning was needed.

Melanie O'Connell Underwood (advocate), Economic Developer for Mooresville said the county had already agreed to build a new courtroom. She said the courts in Mooresville were “overflowing.” She said the county would find it difficult to buy and find land adequate for its needs. Underwood said she primarily looked for industrial properties, which were less expensive than space in the downtown area. She said that an industrial client was looking at 10 acres for a 60,000 sq. ft. building. Mrs. Underwood said the industrial property would cost a million dollars and the construction would be another \$3 million. She said this would be an open-floored area and not office and court space, which would cost even more.

Mark Childers (advocate), an attorney in the Mooresville area, said he had seen the court dockets grow “exponentially.” He said that on administrative court days, it was easy to see 600 to 700 people waiting in line at the Mooresville Municipal Building. He said in criminal court, he had often seen the courtroom overflowing with people. Mr. Childers said that by having court in Mooresville, it was a convenience to the victims and to the police officers. Childers said that a past speaker had spoken and said the county should not purchase the building because it was old.

Mr. Childers said the Iredell County Government Center, where the public hearing was being held, was 100 years old.

Buddy Hemric (opponent) said a recent newspaper article had quoted Chairman Tice as saying the purchase and renovation of the former Lowrance Building would be \$4.1 million. He said that in the next couple of years, the Iredell-Statesville School System would need at least two more school buildings. Hemric said that at some point, a bond would be needed, along with probably a tax increase. Mr. Hemric said he had counted 190 parking spaces at the hospital site. He said the Mooresville ordinance read that it would take one parking space per employee during the shift of greatest employment plus one space for each 300 sq. ft. of gross floor space. Hemric said 300 to 400 spaces would be needed to be in compliance with the ordinance. He said, additionally, the county would probably have to hire an employee to monitor the rental space in the building, if it was not turned over to a rental management company.

Chairman Tice said the \$4.1 million, referred to by Mr. Hemric, included interest.

Alice Stewart (opponent), past county commissioner, said she had been opposed to the purchase of the property ever since Sara Haire Tice had mentioned the possible availability at a retreat held in November 17, 1995, in Mooresville. Stewart said the board members were told the facility might be donated. Mrs. Stewart said she remembered that her comments were: "I am only one member of this board, but for my part, the answer is no. If this is such a great deal, why hasn't Mooresville taken it? If this deal is so great, the offer would never have reached the county; especially with Mooresville needing a new town hall and police station." Mrs. Stewart said the current board had not been following the established capital project needs list. She said the hospital purchase was not on the needs list. Stewart said the current board had approved the purchase with no regard for the library and DSS needs. Mrs. Stewart said the purchase would be just for Mooresville downtown revitalization. Stewart said the usage of taxpayer money for the hospital property would be the worst expenditure she had seen in her 16 years of service on the board of commissioners, with the exception of the \$900,000 paid to the superintendents when the Statesville and Iredell County School Systems merged.

David Boone (opponent) said that if the board agreed to purchase the property, it would be borrowing approximately \$3.5 million to buy an old building that was several times bigger than what was needed. Boone said the county could build a new building for approximately the same amount, or less, than the purchase and renovation of the hospital property. He said there had been an argument that the hospital purchase would help in the Mooresville revitalization. Mr. Boone reminded the board members that they were elected county-wide, and it was not appropriate to ask the taxpayers of the whole county to revitalize one area of the county. Boone said it was very rare that former commissioner Bob Dellinger, former commissioner Alice Stewart, and former commissioner David Boone would agree on something. He said the board and audience might conclude by this fact that there was a widespread consensus of opinion against the purchase. Boone suggested that rather than using the installment financing, a General Obligation Bond (GO) be reviewed. He said the GO Bond would have to be submitted to the citizens of the county and voted upon.

Chairman Tice then adjourned the public hearing and introduced the following resolution.

RESOLUTION DIRECTING FILING OF AN APPLICATION  
FOR APPROVAL BY THE LOCAL GOVERNMENT  
COMMISSION OF INSTALLMENT FINANCING AGREEMENT  
TO FINANCE THE PURCHASE OF A FORMER HOSPITAL FACILITY

BE IT RESOLVED by the Board of Commissioners (the "Board of Commissioners") for the County of Iredell, North Carolina:

Section 1. The Board of Commissioners does hereby find, determine, and declare as follows:

(a) The County of Iredell, North Carolina (the "County") proposes to finance the purchase of a former hospital facility located in the Town of Mooresville pursuant to an installment

financing agreement (the "Installment Financing Agreement") with HMA; the County's obligations under the Installment Financing Agreement will be secured by, among other things, a deed of trust on the Mortgaged Property (as defined in the deed of trust to be executed by the County as security for its obligations under the Installment Financing Agreement).

(b) Purchase of the aforementioned property is necessary in order to provide modern and expanded facilities essential to the administration of the government of the County and the public health, safety, and welfare of its citizens.

(c) Based on advice from knowledgeable parties as to current tax-exempt interest rates, the sums to fall due under the Installment Financing Agreement are not excessive for its stated purposes; moreover, the estimated cost of said property is not excessive.

(d) The County Attorney has rendered an opinion that the proposed undertaking is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of the State of North Carolina.

(e) The Installment Financing Agreement, under the circumstances presently obtaining, is preferable to a general obligation bond issue for this purpose. The County's current fund balance is, in light of other requirements and prudent fiscal management, insufficient to fund the entire cost of said property, the County does not have the ability to issue sufficient non-voted bonds to purchase said property under the provisions of Article V, Sec. 4 of the North Carolina Constitution, and voting general obligation bonds for this purpose will result in unacceptable delay and additional cost to the County. In addition, the facilities being financed are not eligible for revenue bond financing under The State and Local Government Revenue Bond Act.

(f) The estimated cost of financing the Project pursuant to the Installment Financing Agreement compares reasonably with an estimate of similar cost for general obligation bond financing therefor. The primary difference in cost results from slightly higher issuance costs, but this amount is insignificant when compared to the total cost of financing the purchase of said property.

(g) The debt management policies of the County have been carried out in strict compliance with law, including the filing

of all required audits and reports with the Local Government Commission, and the County is within its statutory debt limit and is not in default with respect to any of its outstanding indebtedness.

(h) The County estimates that no increase in the property tax rate would be required to raise sums to pay the estimated debt service to fall due under the Installment Financing Agreement for all of its stated purposes.

(i) The County has made timely payment of all sums owed by it with respect to the payment of principal of and interest on all of its outstanding debt obligations and has received no notice from the Local Government Commission or any holder concerning the County's failure to make any required payment of debt service.

Section 2. The Local Government Commission is hereby requested to approve the proposed Installment Financing Agreement pursuant to the provisions of Article 8 of Chapter 159 of the General Statutes of North Carolina, and the Director of Finance and Administrative Services is directed to complete all applications and execute all other documents required in connection with obtaining such approval.

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

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Commissioner Ray said that many months ago the board had taken under consideration the purchase of the former hospital. She said that in a 4-1 vote, the board agreed to the purchase. Ray said the public hearing was being conducted on the actual financing, and it was not being held to decide on the purchase -- this had already been done. Mrs. Ray said she had previously voted to purchase the property due to information provided by the county staff, and she still felt it was the right thing to do. Ray said she looked at the property purchase as being an investment and not so much as a revitalization aid. She said the purchase would help with the revitalization, but this was not the reason for buying the property. Commissioner Ray said the property would meet the long-range needs for the citizens in the southern end of the county.

MOTION by Commissioner Ray to approve the resolution as introduced by Chairman Tice.

Commissioner Williams asked if a Phase I Environmental Study had been completed. He also asked about the roofing on the building and the parking spaces.

Support Services Director Jim Vernon said a Phase I study was approximately 70% complete. He said thus far, there was nothing "drastically wrong." He said the roofing that had been constructed through the years was primarily "built-up roofs." Vernon said minor problems had been noted on some parts of the structure, i.e., reglets, or where the counterflashing attached to the sidewalls or parapet roofs. He said there were about two or three leaks in the oldest section of the building. Vernon said there was one single-ply, ballasted membrane roof on the facility, and it appeared to be in good condition.

In regards to parking, Vernon said he had a drawing indicating there were 235-240 parking spaces. He said this could probably be expanded to a maximum of 320 spaces. Vernon agreed that 400 spaces would be necessary if all four floors of the hospital were occupied.

Commissioner Williams asked the county manager about the debt service. Williams asked if a tax increase would be needed.

Mashburn said the debt service for the current year was already included in the budget. He said he would not anticipate concerns about debt service in future years, if normal growth was experienced. He said, however, that he didn't have a "crystal ball."

Commissioner Bowles said he didn't think the hospital purchase would be in the county's short-term best interest; however, in the long-term, the acquisition would pay off.

Commissioner Johnson said he was the "lone dissenting vote" in the matter. Johnson said he had concerns about the board not adhering to the capital improvements listing. He said a needs assessment had been done in the past and future revenues were then reviewed. Johnson said the needs assessment had been coordinated with the anticipated revenues to develop a timeframe. Then, he said the staff had been directed to develop a plan to accomplish the projects, or to offer alternatives. He said that in regard to the hospital purchase, none of the procedures had been followed. Johnson said he believed in limited government, and he didn't feel that governments should get into the real estate business, especially in regard to renting out floor space. Mr. Johnson said that at the present time, the county had \$2.2 million in the capital project fund and \$600,000 was undesignated. He said the county would also soon sell the property on Highway 150, and this money could be placed into the capital projects fund. Johnson said the county needed more court and health office space in Mooresville; however, everyone in Iredell County was being asked to pay for it.

VOTING: Ayes – 4; Nays - 1 (Johnson)

**MOTION** by Chairman Tice to direct Finance Director Susan Blumenstein to use \$80,400 from the Capital Reserve Fund for architectural fees to be reimbursed when permanent financing was in place.

VOTING: Ayes – 4; Nays – 1 (Johnson)

**MOTION** by Commissioner Bowles to authorize that the proceeds from the sale of the Highway 150, Plaza Drive property, be directed into the Capital Reserve Fund.

(Bowles wanted this motion to be recognized in conjunction with the hospital purchase. Mr. Bowles said the capital projects already established could continue on their timeframe and not be delayed. Bowles said this might alleviate some concerns about the projects being delayed.)

Ray said she assumed this was being done as a "goodwill gesture." She said it was her understanding that there were no other projects in the capital plan at this time. Mrs. Ray said she didn't see where anything would be delayed.

Bowles said there were no other project ordinances at this time. He said his motion would simply direct for the Hwy. 150 proceeds to be placed into the capital reserve fund where they would be safe for the projects already outlined.

VOTING: Ayes – 5; Nays – 0.

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

**MOTION** by Commissioner Johnson to approve the following ten (10) consent agenda items.

VOTING: Ayes – 5; Nays – 0.

1. **Request for a Discussion Concerning Iredell County’s Transportation Improvement Program Priority Listing:** (The listing was not altered from the one submitted in the previous year. The following shows the improvement requests that will be shared with the North Carolina Department of Transportation.)

- Priority I – U.S. Highway 21/I-40 Interchange & Widening
  - Priority II – Brawley School Road (SR 1100) Interchange & Widening
  - Priority III – U.S. Highway 70 – Widening from Fanjoy Road (SR 2318) to Salisbury
  - Priority IV – I-77/New Interchange at Cornelius Road (SR 1302) and Connector Road to Mazeppa Road (SR 2395)
  - Priority V - U.S. Highway 21/NC 115 – widening from Troutman to Barium Springs
- Feasibility Request – River Highway (Hwy. 150)

2. **Request for Approval of the September 2001 Refunds & Releases:** (The following refunds and releases were approved.)

<u>Releases for September 2001</u>		\$ 188,666.83
County	\$ 116,498.63	
Solid Waste Fees	4,082.00	
E. Alex. Co. Fire #1	12.10	
Shepherd’s Fire #2	433.43	
Mt. Mourne Fire #3	167.72	
All County Fire #4	6,162.98	
Statesville City	16,473.71	
Statesville Downtown	36.95	
Mooresville Town	35,151.24	
Mooresville Downtown	80.50	
Mooresville School	7,963.03	
Love Valley	564.76	
Harmony	77.46	
Troutman	862.32	
<u>Refunds for September 2001</u>		57,673.31
County	\$ 25,561.46	
Solid Waste Fees	25.00	
E. Alex. Co. Fire #1	0	
Shepherd’s Fire #2	86.47	
Mt. Mourne Fire #3	6.25	
All County Fire #4	52.06	
Statesville City	1,281.51	
Statesville Downtown	0	
Mooresville Town	24,108.97	
Mooresville Downtown	0	
Mooresville School	6,411.97	
Love Valley	0	
Harmony	0	
Troutman	139.62	

3. **Request for Approval of Budget Amendment #9 for the Recognition of a Federal & State Grant in the Amount of \$24,150 for the LINKS Fund (Assistance for Youth Leaving Foster Care):** (The funds are used to help foster children who “age out” of foster care. The funding may be used for scholarships/conferences, transitional housing, and trust funds.)

4. **Request for Approval of Budget Amendment #10, in the amount of \$74,148, for an Appropriation to Area Municipalities (\$27,700 to the City of Statesville for an Equipment Reimbursement and \$46,448 to the Town of Mooresville for an Equipment Reimbursement):** (Both reimbursements were for radio console equipment expenditures to be paid out of 911 funds.)

5. **Request for Approval of Budget Amendment #11, in the Amount of \$2,000, for the Recognition of a Grant from the NC Department of Transportation (Bicycle Helmets):** (Approval was given on September 4, 2001, for the sheriff's department to apply for the grant funds. The funds have been received, and a budget amendment is required.)

6. **Request for a Decision Regarding the January 1, 2002 (New Year's Day) Meeting of the Iredell County Board of Commissioners:** (The board cancelled the meetings scheduled for January 1, 2002, and January 15, 2002. Instead, the board will hold a briefing and regular meeting on Tuesday, January 8, 2002, and a Winter Planning Session on Friday, January 25, 2002 and Saturday, January 26, 2002.

7. **Request for the Appointment of an Acting Clerk to the Board from October 17, 2001 through October 26, 2001:** Ms. Wendy Workman was appointed the Acting Clerk to the Board during Jean Moore's (Clerk to the Board) absence from the office.

8. **Request for Approval of the October 2, 2001 Minutes**

9. **Request for Approval of Budget Amendment #12 for the Recognition of Additional Funds from the North Carolina Department of Transportation for the Rural Operating Assistance Program (pass-through grant to the Iredell Transportation Authority):** (Additional funds from the North Carolina Department of Transportation for the Rural Operating Assistance Program were received. The budget amendment change was for \$25,365.)

10. **Request for the County Manager and Library Director to Develop a Policy Regarding Branch Libraries:** (This item was placed on the consent agenda with the following motion and directive being approved.)

*Motion that the Iredell County Board of Commissioners adopt the goal of establishing branch libraries by working cooperatively with the municipalities to jointly fund facilities and operations, and further, to direct the county manager and the library director develop a funding and operating model for presentation to the board not later than December 1, 2001. The plan is to recognize the current funding for the libraries in Statesville and Mooresville and should only address expansion of the library system into other municipalities*

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

**ANNOUNCEMENT OF VACANCIES OCCURRING ON BOARDS  
&  
COMMISSIONS**

**Animal Grievance Committee (one announcement)**

**APPOINTMENTS TO BOARDS & COMMISSIONS**

**Adult Care Home Community Advisory Committee (4 appts.):** No nominations were submitted, and Chairman Tice moved to postpone these four appointments until the November 6 meeting.

VOTING: Ayes – 5; Nays – 0.

**Statesville Board of Adjustment-Extraterritorial Jurisdiction (1 appt):** No nominations were submitted, and Chairman Tice moved to postpone these four appointments until the November 6 meeting.

VOTING: Ayes – 5; Nays – 0.

**NEW BUSINESS**

Commissioner Ray said that in the briefing session, the branch library item was added to the agenda. She said this indicated an interest in the expansion of library services. She said the new county library was scheduled for completion during 2003-2004. Ray said she had been looking at the DSS alternative the board might become involved with that would provide a sharing of the lease expense, should property be leased, and the federal government's input through the state in helping pay the lease.

**MOTION** by Commissioner Ray that the funds earmarked for the DSS project be redirected to the library project, and further, that the library project be scheduled for completion during 2002-2003. Ray further requested for the staff to seek design qualifications from architectural firms with significant experience in library design and a good record of cost estimation and satisfactory project completion, and further, that the board instruct the county manager to pursue the option of leasing space for DSS expansion and report back to the board by the January planning session on the best option.

Commissioner Johnson said he was understanding the motion would "flip-flop" DSS and the library project. He asked if the county was committing to leasing space for DSS or simply looking at all of the options.

Ray said the county should look at all options.

Commissioner Johnson said he understood that \$5.4 million under the previously adopted schedule would be available for library construction and this included some accrued interest. He asked if the motion would negatively affect the \$5.4 million since the county would not have enough time to accrue interest.

Mashburn said the county had \$3.1 million now, with \$2.5 million scheduled to come in during this fiscal year, and \$2.5 was to go into the fund next year. He said none of these figures included any interest earned on the funds.

VOTING: Ayes – 5; Nays – 0.

**COUNTY MANAGER'S REPORT:** Mashburn said a written activity report and narrative had been distributed.

**Budget Update:** Blumenstein said a copy of the September capital project reports had been distributed. She said that in September the county's general fund revenue balance was \$10.6 million and expenditures were \$20.1 million. Blumenstein said this showed that fund balance was important to provide cash flow before tax revenues started arriving. She said that one-half (\$792,700) of this year's appropriation from the state on inventory tax reimbursements had been received. Blumenstein said the inventory tax reimbursement that had been put on hold by the General Assembly was received in the amount of \$1,125,230. She said this was approximately \$75,000 less than what was budgeted. She said ad valorem taxes this current fiscal year were about three percent behind last year's collections. Blumenstein said, however, the Register of Deed's revenues were about six percent over budget, and the inspection revenues (permits) were over by about eleven percent. Blumenstein said she would ask the board to retain the freeze on certain capital items until the first distribution of sales taxes was received. She said this would probably be in November.

**CLOSED SESSION:** Citing G.S. 143-318.11 (a) (6), Personnel, Chairman Tice **motioned** to enter into closed session at 8:30 p.m.

VOTING: Ayes – 5; Nays – 0.

(Return to Open Session at 8:45 p.m.)

**ADJOURNMENT:** **MOTION** by Chairman Tice to adjourn the meeting at 8:45 p.m.  
**NEXT MEETING:** Tuesday, November 6, 2001, 5:00 p.m. and 7:00 p.m., in the Iredell County Government Center, 200 South Center Street, Statesville, NC.

VOTING: Ayes – 5; Nays – 0.

Approved: \_\_\_\_\_

\_\_\_\_\_  
Clerk to the Board