

May 5, 2014

The Randolph County Board of Commissioners met in regular session at 6:00 p.m. in the 1909 Randolph County Historic Courthouse Meeting Room, 145 Worth Street, Asheboro, NC. Commissioners Holmes, Frye, Haywood and Lanier were present. Commissioner Kemp was absent. Dr. Bob Shackelford, RCC President, gave the invocation and everyone recited the Pledge of Allegiance.

### **Special Recognitions**

Chairman Holmes recognized the following Centenarians and Vice Chair Frye presented each honoree (or family member or care home representative) able to attend with a certificate of recognition: Thelma Luther--100 on 5/4/14, Glenna C. Allred--103 on 12/26/13, Minnie Hutcheson--105 on 3/16/14, Mary Cummings--105 on 7/28/13. *Note: Certificates will be hand-delivered or mailed to the honorees that were unable to attend.*

### **Recognition of Retiree**

Ann Sparks, who retired on April 1<sup>st</sup> with 16 years of service to Randolph County Public Health, was recognized by Public Health Director MiMi Cooper, after which, Chairman Holmes presented Ms. Sparks with an engraved clock on behalf of the Board.

### **Public Comment Period**

Pursuant to N.C.G.S. § 153A-52.1, Chairman Holmes opened the floor for public comment. County Attorney Ben Morgan read aloud the Public Comment Rules of Procedure.

**Jon Nance**, 3483 New Hope Church Rd, Asheboro, commented that he had a problem with the intermingling of government and business in regard to the incentives package that the Board was offering to lure an unnamed company to move into the former Ramtex building in Ramseur. He stated that the Board could provide him the \$75,000 and he would create jobs. Mr. Nance was also concerned the company would move the jobs back to overseas facilities once the three-year performance based grant was expended.

### **Approval of Consent Agenda**

*On motion of Frye, seconded by Lanier, the Board voted unanimously to approve the Consent Agenda, as presented:*

- *approve minutes of April 7 regular meeting and two sets closed sessions;*
- *approve Budget Amendment #28 for Emergency Services (\$15,737 Emergency Management Performance Grant), as follows:*

<b>2013-2014 Budget Ordinance—General Fund—Budget Amendment #28</b>		
<b>Revenues</b>	<b>Increase</b>	<b>Decrease</b>
<i>Restricted Intergovernmental</i>	<i>\$15,737</i>	
<b>Appropriations</b>	<b>Increase</b>	<b>Decrease</b>
<i>Emergency Services</i>	<i>\$15,737</i>	

- *appoint Ken Auman & Denise Summerell to Nursing Home Community Advisory Committee;*
- *reappoint Vickie Cox and Gail Briles McDowell to Regional Partnership Workforce Development Board;*
- *reappoint Sarah Shoffner & Harold Holmes to Randolph Co. Public Library Board of Trustees;*
- *reappoint Nan Kemp, Mac Whatley, Marsha Haithcock and Robyn Hankins to Randolph County Historic Landmark Preservation Commission;*
- *appoint Warren Coble to Adult Care Home Community Advisory Committee for 1-yr. term;*
- *adopt resolution adding 0.304-mile Turning Oaks Trail in the Oaks Subdivision to Division of Highways' Secondary Road System, as follows:*

*WHEREAS, the Department of Transportation has investigated 0.304 mile of Turning Oaks Trail in The Oaks Subdivision; and*

*WHEREAS, the subject street has been found to meet minimum requirements for addition.*

*NOW, THEREFORE, BE IT RESOLVED by the Randolph County Board of Commissioners that 0.304 mile of Turning Oaks Trail in The Oaks Subdivision be added to the Division of Highways' Secondary Road System.*

- *adopt resolution abandoning 0.10-mile section of SR 1602 (Leach Street) from Division of Highways' Secondary Road System, as follows:*

*WHEREAS, the Department of Transportation has investigated 0.10 mile SR 1602 (Leach Street) in Randolph County for purposes of abandonment; and*

*WHEREAS, it has been determined that this subject street should be abandoned from the Division of Highways' Secondary Road System.*

*NOW, THEREFORE, BE IT RESOLVED by the Randolph County Board of Commissioners that 0.10 mile SR 1602 (Leach Street) in Randolph County be abandoned from the Division of Highways' Secondary Road System.*

- *approve Budget Amendment #29 for Article 46 Sales Tax Collections for RCC Capital Project, as follows:*

<b>2013-2014 Budget Ordinance—General Fund—Budget Amendment #29</b>		
<b>Revenues</b>	<b>Increase</b>	<b>Decrease</b>
<i>Appropriated Fund Balance</i>	<i>\$689,000</i>	
<b>Appropriations</b>	<b>Increase</b>	<b>Decrease</b>
<i>Transfer to RCC Capital Project</i>	<i>\$689,000</i>	

- *reappoint Phil Ridge to the Randolph County Planning & Zoning & Board of Adjustment;*
- *adopt Resolution of Authorization to Apply for FEMA Assistance, as follows:*

**RESOLUTION**  
**DESIGNATION OF APPLICANT'S AGENT**  
 North Carolina Division of Emergency Management

Organization Name (hereafter named Organization) <b>RANDOLPH COUNTY NORTH CAROLINA</b>	Disaster Number: <b>FEMA-4167-DR-NC</b>
Applicant's State Cognizant Agency for Single Audit purposes (If Cognizant Agency is not assigned, please indicate):	
Applicant's Fiscal Year (FY) Start Month: <b>JULY</b> Day: <b>1</b>	
Applicant's Federal Employer's Identification Number <b>56-6001526</b>	
Applicant's Federal Information Processing Standards (FIPS) Number -	

PRIMARY AGENT	SECONDARY AGENT
Agent's Name <b>WILL MASSIE</b>	Agent's Name <b>JARED BYRD</b>
Organization <b>RANDOLPH COUNTY</b>	Organization <b>RANDOLPH COUNTY</b>
Official Position <b>FINANCE OFFICER</b>	Official Position <b>EM MGT COORDINATOR</b>
Mailing Address <b>725 McDOWELL ROAD</b>	Mailing Address <b>152 N FAYETTEVILLE ST</b>
City, State, Zip <b>ASHEBORO NC 27205</b>	City, State, Zip <b>ASHEBORO NC 27203</b>
Daytime Telephone <b>(336) 318-6310</b>	Daytime Telephone <b>(336) 318-6913</b>
Facsimile Number <b>(336) 636-7566</b>	Facsimile Number <b>(336) 318-6951</b>
Pager or Cellular Number	Pager or Cellular Number <b>(336) 301-6580</b>

BE IT RESOLVED BY the governing body of the Organization (a public entity duly organized under the laws of the State of North Carolina) that the above-named Primary and Secondary Agents are hereby authorized to execute and file applications for federal and/or state assistance on behalf of the Organization for the purpose of obtaining certain state and federal financial assistance under the Robert T. Stafford Disaster Relief & Emergency Assistance Act, (Public Law 93-288 as amended) or as otherwise available. BE IT FURTHER RESOLVED that the above-named agents are authorized to represent and act for the Organization in all dealings with the State of North Carolina and the Federal Emergency Management Agency for all matters pertaining to such disaster assistance required by the grant agreements and the assurances printed on the reverse side hereof. BE IT FINALLY RESOLVED THAT the above-named agents are authorized to act severally. PASSED AND APPROVED this **5th** day of **MAY**, 2014

GOVERNING BODY	CERTIFYING OFFICIAL
Name and Title <b>Randolph County Board of Commissioners</b>	Name 
Name and Title <b>J. Harold Holmes, Chairman</b>	Official Position <b>Chairman Board of County Commissioners</b>
Name and Title	Daytime Telephone <b>(336) 318-6300</b>

**CERTIFICATION**

I, **Cheryl A. Ivey**, (Name) duly appointed and **Clerk** (Title) of the Governing Body, do hereby certify that the above is a true and correct copy of a resolution passed and approved by the Governing Body of **Randolph County** (Organization) on the **5th** day of **May**, 2014

Date: **5/5/14** Signature: 

### **Changes to New Business Agenda**

Chairman Holmes announced that *Item C. Economic Development Project Public Hearing and Request to Adopt Economic Incentives Contract, Item H. Approve Operating Agreement with Landfill Partner, Item I. Approve Budget Amendment for Reimbursement of Landfill Costs and Item J. Approve Budget Amendment for Water Fund (PTRWA Settlement)* had been removed from the New Business Agenda. *Note- Item J was added back to the agenda later in the meeting where so noted.*

### **Update on Proposed New Facilities**

Charles Todd, Little Diversified Architectural Consulting Principal and Primary Contact, shared the qualification process of his firm, as well as, the conceptual designs that they had prepared for Randolph County for the proposed new Emergency Services headquarters. Little Diversified Architectural Consulting is the lead on the project and will work in association with Wright Architecture of High Point, who will be responsible for the engineering. Winbourne Consulting, Inc., will be the technology expert for the 911 electronics portion of the project. Mark Wright, Wright Architecture, PA., said his firm has over 14 years of experience and that they would be the local support of Little's expertise on this project.

Mr. Todd said they have teamed up with these companies to complete several local projects, including the Victory Junction Gang Camp. They have completed other government facilities, including Charlotte's 911 ECC Communications Center; Wake County 911 and Sheriff's Headquarters; and Catawba County's 911 ECC, EOC and Courts.

Mr. Todd said that their firms have designed the conceptual drawings around Randolph County Emergency Services' project goals: a secure building with functionality and designed for growth, use of existing land (overcoming topography issues) and the ability to access current utilities on the existing street. He reviewed the three different options (one-, two- and three-story facility) and the reasons for each design. Option A: a three-story scheme that was designed to Department of Defense terrorism standards, utilizing the clearance of the front of the building and creating a blast proof condition. It works with the topography and is broken out into service levels. Option B: a two-story scheme that would sit a little differently on the site and service areas would be a little closer together. Fewer pillars and less roofing would be needed than with a one-story. Option C: the one-story scheme, which does use more of the site and the topography comes into play, but puts all service areas on one floor. Although it uses more of the land, it eliminates the need for elevators. Mr. Todd asked that they not rule out any option in these conceptual designs until more work is completed from the cost standpoint.

The existing 911 call center uses the Xybix system and they would draw plans around the existing infrastructure, but not design it around one proprietary system, so that they comply with the general statutes and allow for equal competition for the technology components in the building.

Mr. Todd presented the possible options for layout of the consoles in the command center which determined the square footage of the room and may allow for growth.

Mr. Todd stated that the entire construction was designed based on the project goals. The Emergency Services apparatus bay is currently shown as 81' deep with five bays that will hold

ten vehicles. Mr. Todd said the apparatus bay could be scaled back or completed in stages but the other infrastructure needed to be specific due to the components that go into it and expansion capability, if needed.

The structure integrity is governed by the NC building codes for the 911 ECC and EOC buildings. Mr. Todd said that additional codes were likely to be added in the next state building code update and those have been recommended in this design as well as using national standards.

Commissioner Frye asked if they have experience in retrofitting an existing building and Mr. Todd confirmed that they have experience.

### **Approval of Resolution of Support to Extend NC Film Tax Credit**

Tammy O'Kelley, Tourism Development Authority Director, introduced Mario Lopez, AHS senior, who is enrolled in the high school's Career and Technical Education Program. He is currently interning with the TDA as part of the course.

Ms. O'Kelley stated that in 2006, North Carolina finally got into the game offering production companies a 15 percent tax credit if they spent a minimum of \$250,000 in North Carolina, with a credit cap of \$7.5 million. It quickly resulted in landing projects such as "Nights in Rodanthe" and HBO's "Eastbound & Down."

Other states continued to raise the ante with competing incentives, and in 2010, North Carolina passed legislation that provided a 25 percent tax credit to production companies spending more than \$250,000 in the state, with a credit cap of \$20 million. The incentive, a post-performance tax credit received when filming is complete and after the state has audited expenses, is not paid to actors or producers. Additionally, all work and services must be performed in North Carolina, a mandate on the production companies to hire and spend locally. And they do because they know if they don't they will not receive the incentive on non-qualifying expenditures.

She summarized the need for the NC Film Tax Credit to be extended and stated that a study, conducted by Dr. Robert Handfield, professor of supply chain management at N.C. State University and released on March 31, 2014, showed a positive return on investment. Based on calculations of actual motion picture and television industry activity in 2012, there was more than \$391 million of total production spending in the state enabling North Carolina to maintain a nationally recognized crew base with talented new workers entering the labor force from North Carolina's film schools in the state's public universities. It further provided that the film industry in North Carolina provides 4,259 jobs at an average wage of \$66,000 for the industry compared to a statewide annual average wage for all private industries of \$43,056. (*NC Labor and Economic Analysis Division, Quarterly Census of Employment and Wages, 2012*) or all occupations of \$41,750 (*US Bureau of Labor Statistics, Occupational Employment Statistics, 2012 Annual Average Wage, May 2012*).

Ms. O'Kelley requested that the Commissioners join with the NC Travel & Tourism Coalition, Piedmont Triad Host Group, Piedmont Triad Film Commission, Randolph County Tourism Development Authority, Archdale-Trinity Chamber of Commerce, Archdale City

Council; and Greensboro and Winston-Salem Councils; and also adopt a resolution of support to the NC General Assembly to extend the NC Film Credit for five years. She expects the Asheboro-Randolph Chamber of Commerce and the Asheboro City Council to adopt resolutions in the coming weeks.

*On motion of Frye, seconded by Lanier, the Board voted unanimously to adopt a resolution in support to the NC General Assembly in Extending NC Film Credit, as follows:*

**RESOLUTION OF SUPPORT OF EXTENDING  
NORTH CAROLINA'S FILM TAX CREDIT**

***WHEREAS**, the film production incentive legislation (NC GS § 105-130. 47 – the state's 25% refundable tax credit to productions whose spend is greater than \$250,000) is set to sunset on December 31, 2014; and*

***WHEREAS**, states who have reduced or eliminated their respective film incentive programs experienced a dramatic drop in production within their borders; and*

***WHEREAS**, North Carolina has established itself as one of the top filming destinations in the world as a result of its current 25% refundable tax credit incentive for film productions, as well as the state's established film industry infrastructure; and*

***WHEREAS**, the film production workforce has more than doubled in the last six years with an average of more than 25,000 job opportunities being available each year since the passage of the current incentive, an increase of more than 16,000 from years prior to adoption of the current incentives; and*

***WHEREAS**, the film industry is responsible for 8,481 direct jobs and \$206.7 million in wages in North Carolina, including both production and distribution-related jobs, with more than 3,000 of the jobs production-related; and*

***WHEREAS**, more than 4,000 highly skilled film professionals reside in the state of North Carolina; and*

***WHEREAS**, the state's film industry supports more than 1,000 small business and retail operations throughout the state; and*

***WHEREAS**, film production has contributed to jobs and increased economic activity in more than 50 North Carolina counties, including Randolph; and*

***WHEREAS**, spending by production companies in the state has exceeded \$1 billion over the past six years and is averaging in excess of \$292 million per year since the passage of the current incentive, a 265 percent increase from the yearly average from years prior to its adoption; and*

***WHEREAS**, film industry spending has a direct impact on tourism and tourism related business in the state, including spending on lodging and at restaurants and attractions in addition to showcasing North Carolina's scenic beauty and destinations; and*

***WHEREAS**, the sunset of the current 25 percent refundable tax credit incentive would effectively decimate the state's film industry as it has in other states; and*

***WHEREAS**, without a stable incentive program in North Carolina, opportunities for projects in the state, and particularly in the Piedmont Triad, will be lost as productions will go to states with stronger, more competitive incentive programs resulting in a loss of tax revenues for our county and region.*

***NOW, THEREFORE, BE IT RESOLVED**, that the Randolph County Board of Commissioners does hereby declare our support for North Carolina's Film Tax Credit and the current state tax policy that has caused this industry to grow in our state.*

***BE IT FURTHER RESOLVED** that we call upon our representatives in the North Carolina General Assembly to extend the NC Film Tax Credit sunset date for five years through December 31, 2019.*

*This the 5<sup>th</sup> day of May, 2014.*

### **Contract Award for Document Imaging for Child Support Enforcement**

Child Support Enforcement Director Damon Brown said that during his budget presentation in June 2013, he requested funds for the purchase of document imaging software, equipment and services needed to make the agency as paper free as possible and streamline the office structure. The installation of the equipment and software has been completed. One of the final steps is having all of the files scanned into the new document imaging system. He said this is a major step in improving office efficiency. Six companies that offer document imaging service were contacted for estimates of cost and services offered. Only two companies responded. Tarheel Imaging and Microfilming, Inc. responded with the best price and service offer. DSS also used Tarheel Imaging and Microfilming, Inc. for their document imaging project.

The quote received from Tarheel Imaging and Microfilming, Inc. is \$37,180. On the possibility of going over the estimate provided, the contract will have a maximum amount of \$40,000. As with most expenditures of the Child Support program, 66% of the cost of the project will be reimbursed by the federal government. Funds are currently available within Child Support Enforcement's budget to cover the purchase.

*On motion of Frye, seconded by Haywood, the Board voted unanimously to award a contract for \$40,000 to Tarheel Imaging and Microfilming, Inc. for document imaging in the Child Support Enforcement office and to authorize the County Manager to negotiate and sign the contract.*

### **Rezoning Public Hearing & Action**

At 7:06 p.m., the Board adjourned to a duly advertised public hearing. Hal Johnson, Planning Director, presented the following requests, and Chairman Holmes opened the public hearing for comments on each request and closed it before taking action on the requests:

**SOUTHWEST LAND, LLC**, Asheboro, North Carolina, (Toby Strider, owner) is requesting that 32.32 acres located at 3295 Archie Newsom Road, Richland Township, be rezoned from RA to RIO-CD. Secondary Growth Area. The proposed Conditional Zoning District would specifically allow the development of a solar PV farm as per site plan. The Planning Board reviewed this request on April 8, 2014, and unanimously recommended that this request be approved. The Planning Board found the following policies within the 2009 Growth Management Plan that support determination of consistency with the adopted plan with this recommendation:

*Policy 3.12 New rural industrial development should provide site specific development plans along with vegetated buffers or other landscaping designed to reduce substantial impacts to adjoining land uses.*

*Board of Commissioner Resolution Adopting the Growth Management Plan, Policy #2. Recognize that growth management policies should afford flexibility to County boards and agencies that will enable them to adapt to the practical requirements often necessary for rural development.*

**Don Lanier**, P.O. Box 383, Asheboro, Real Estate Broker working with Southwest Land, LLC and Mr. Strider, spoke in favor of this request, saying the property is surrounded by wooded

buffer to the west, is on the end of a street and suitable for the requested solar farm.

*On motion of Haywood, seconded by Frye, the Board voted 3-0 (Commissioner Lanier asked to be recused due to conflict of interest.) to approve the request of Southwest Land, LLC, as determined consistent with the standards and policies contained within the Growth Management Plan and outlined in the recommendations provided by the County Planning Board.*

**DON LANIER**, Asheboro, North Carolina, is requesting that 7.72 acres located at 5175 NC Hwy 49S, Concord Township, be rezoned from LI-CU to LI-CD. Secondary Growth Area. The proposed Conditional Zoning District would specifically allow a commercial truck brokering and repair garage business as per site plan. David Alan Parrish is the property owner. The Planning Board reviewed this request on April 8, 2014, and unanimously recommended that this request be approved. The Planning Board found the following policies within the 2009 Growth Management Plan that support determination of consistency with the adopted plan with this recommendation:

*Policy 3.9 Individual rezoning decisions within Rural Growth Areas will depend upon the scale of the development, and the specific nature of the site and its location.*

*Policy 3.11. New rural industrial development shall be located in areas of the site that would lessen impact to adjoining residential and agricultural lands.*

*Commissioner Resolution Adopting the 2009 Randolph County Growth Management Plan, #3. Ensure the opportunity for landowners to achieve the highest and best uses of their land that are consistent with growth management policies in order to protect the economic viability of the County's citizens and tax base.*

**Don Lanier**, P.O. Box 383, Asheboro, Real Estate Broker on behalf of Brad Lanier, spoke in favor of this request, saying that Brad Lanier wishes to use the property for his business and for service and maintenance of the 22 trucks used for his transportation business.

*On motion of Frye, seconded by Haywood, the Board voted 3-0 (Commissioner Lanier asked to be recused due to conflict of interest.) to approve the request of Don Lanier, as determined consistent with the standards and policies contained within the Growth Management Plan and outlined in the recommendations provided by the County Planning Board.*

**RANDY CHEEK**, Bennett, North Carolina, is requesting that 2.21 acres located on Reed Creek Road, Columbia Township, be rezoned from RA to HC-CD. Municipal Growth Area. The proposed Conditional Zoning District would specifically allow a plumbing and septic contractor business as per site plan. The Planning Board reviewed this request on April 8, 2014, and recommended by a vote of 4 to 2, that this request be approved with the condition that appropriate buffers be worked out with the Planning Staff prior to the May 5, 2014 Commissioners' meeting. The Planning Board found the following policies within the 2009 Growth Management Plan that support determination of consistency with the adopted plan with this recommendation:

*Policy 4.5 Effective buffering and/or landscaping should be provided where commercial development adjoins existing or planned residential uses.*

*Commissioner Resolution Adopting the 2009 Randolph County Growth Management Plan, #3. Ensure the opportunity for landowners to achieve the highest and best uses of their land that are consistent with growth management policies in order to protect the economic viability of the*

*County's citizens and tax base.*

*Board of Commissioner Resolution Adopting the Growth Management Plan, Policy #2. Recognize that growth management policies should afford flexibility to County boards and agencies that will enable them to adapt to the practical requirements often necessary for rural development.*

Hal Johnson said that he and the planning staff did meet Mr. Cheek on-site to propose buffer options. The buffer recommendations are to place an eight-foot fence to enclose the entire site leaving three feet of space from fence to property line on the north side. Then he would place evergreens along the inside of the northern boundary of the fence. On the west side of the property the fence would be placed on the higher elevation of the property, which is approximately twenty feet from the property line leaving existing trees and foliage to be maintained as a natural buffer.

Commissioner Haywood inquired about the number of trucks on site and noise that the site might generate. Mr. Johnson stated that Mr. Cheek is a one-man business and he would not be there during the day, but was unsure of the number of trucks or types of equipment Mr. Cheek would keep there.

**Myra Stuart**, 190 Reed Creek Rd., Ramseur, spoke in opposition to this request. Ms. Stuart lives on adjoining property to the north side of the site. She stated that this rezoning request is not consistent with the Growth Management Plan and said she cited five different examples at the April Planning and Zoning meeting, when she also spoke in opposition. She doesn't feel the applicant has offered sufficient buffer (a screen fence, only three feet from her property line). She said there are undetermined details of a tree buffer along the fence line, such as the species of evergreen and whether they will be seedlings or in mid growth. Ms. Stuart does not feel the business will be situated on the site in a way to lessen the impact to adjoining properties but mainly that it is not in harmony with the surroundings of a quiet residential area.

*On motion of Frye, seconded by Holmes, the Board voted unanimously to deny the request of Randy Cheek. The following policies contained within the Growth Management Plan support a vote of denial as not supporting a Determination of Consistency:*

*Policy 3.11: New rural industrial development shall be located in areas of the site that would lesson impact to adjoining residential and agricultural land.*

*Policy 3.12: New rural development shall provide site specific development plans along with vegetated buffers or other landscaping designed to reduce substantial impacts to adjoining land uses.*

*Policy 3.7 Sustainable economic growth, environmental protection, and quality of life shall be pursued together as mutually supporting growth management goals.*

### **Recess**

At 7:40 p.m., the Board took a short recess.

### **Meeting Resumed**

At 7:50 p.m., the Board returned to regular session.

### **Contract Award for Purchase of Software**

Social Services Director Beth Duncan, stated that NC DHHS/DSS has informed them that Child Protective Services, Foster Care, and Adoptions have been released from the state's NC FAST project. However, the exemption does not provide any state funds for a case management system for now or the foreseeable future. Randolph County DSS has been holding onto an antiquated, partially functional, form management system (eCMS) as their automation for these programs with anticipation of NC FAST taking over in 2015. She said that since the state is bowing out of fielding an effective case management system, the County must move forward to improve efficiencies and data collection, but most importantly, incorporate a system that provides real-time process tracking and reporting. Social worker caseloads and supervision's span of control already exceed state guidelines and successful mission accomplishment in these programs is waning. Administration must provide the tools and manpower necessary for success. Ms. Duncan said that they have reviewed what some other counties are doing and have found that Northwoods is the other major supplier in North Carolina for similar activities. She said their review revealed that even though Northwoods is better than what we have now, it does not provide the type of approach that they are seeking and that with an estimate of \$379,207 to \$675,790 to implement the project in Randolph County, funds are just not available. FAMCare Rapid Case Management software is an information platform with front end tools that allow quick documentation of case information with automated workflow. It is designed to keep the team on task with an added ability to measure successes at every step. Randolph County IT has reviewed and evaluated the proposal from Global Vision Technologies for a one-year lease of the FAMCare software.

Ms. Duncan said that the outcome would provide a tool that is necessary to help social workers track case status and collect case data to meet NC General Statutes, help meet the requirements established by DHHS/DSS, and help accomplish the DSS mission in serving the citizens of Randolph County. She said that current funds can be reallocated within the existing DSS budget to cover the cost.

*On motion of Lanier, seconded by Frye, the Board voted unanimously to approve the one-year lease contract with Global Vision Technologies in the amount of \$43,390 for FAMCare Rapid Case Management software for Child Protective Services, Foster Care, and Adoptions Programs and authorized the County Manager to negotiate and execute the contract, as requested.*

**Approval of County Match to Purchase Vehicle for JDRC**

JDRC Director Megan McKinnon said that the Juvenile Crime Prevention Council has approved the purchase of a used vehicle for the Juvenile Day Reporting Center contingent upon the Commissioner's approval of a 30% County match. The amount of the vehicle is \$7,460.00. She said that the State requires a 30% match from the County on any capital outlay that they receive. For this purchase that 30% match is \$2,238.00.

Pursuant to G.S. 143-131, an informal bid process was conducted for the purchase of a used vehicle and the following bids were received:

<b>Vendor</b>	<b>Location</b>	<b>Total Bid</b>
Friendly Chevrolet 2001 Chevy Impala Sedan	Troy, NC	(mileage 40,120) \$7460.00 <b>**Low Bidder</b>

Wayne Thomas Chevrolet 2007 Buick LaCrosse Sedan	Asheboro, NC	(mileage 60,592) \$9,500.00
M & L Motors 2010 Honda Civic Sedan	Lexington, NC	( mileage 116K ) \$9,770.00

Ms. McKinnon requested that the Board award the bid for the vehicle to Friendly Chevrolet at a total cost of \$7460.00 as they met the specifications, the requirements (good condition, low mileage and under \$10,000.00), and were a responsible bidder.

Ms. McKinnon said that the JDRC recently sold four vans for a total of \$5,443. Per grant instructions, 30% of that amount goes back to the County, which equated to \$1,633. The JDRC would like to use this money towards the 30% match for the purchase of the used vehicle, if the Commissioners agree. Therefore, only \$605 additional funds would be required from the County for this purchase.

Ms. McKinnon requested that the Commissioners approve \$2,238 (\$1,633 + \$605) as a 30% local match to purchase the vehicle.

*On motion of Frye, seconded by Haywood, the Board voted unanimously to approve a \$2,238 expenditure as a 30% local match to purchase a used vehicle for JDRC from low bidder, Friendly Chevrolet, and approve Budget Amendment #30, as follows:*

<b>2013-2014 Budget Ordinance—General Fund—Budget Amendment #30</b>		
<b>Revenues</b>	<b>Increase</b>	<b>Decrease</b>
<i>Restricted Intergovernmental</i>	\$5,443	
<i>Appropriated Fund Balance</i>	\$ 605	
<b>Appropriations</b>	<b>Increase</b>	<b>Decrease</b>
<i>Juvenile Day Reporting Center</i>	\$6,048	

### **Change to New Business Agenda**

Chairman Holmes announced that *Item J. Approve Budget Amendment for Water Fund (PTRWA Settlement)*, previously removed from the New Business Agenda (*where noted in the minutes*) has been added back, since the item's presenter, Mr. Greg Flory, Executive Director Piedmont Triad Water Authority, was now in attendance.

### **Approval of Budget Amendment for Water Fund (PTRWA Settlement)**

PTRWA Executive Director Greg Flory said that the Authority recently settled a lawsuit concerning water flow downstream. On April 15<sup>th</sup>, the PTRWA Board of Directors accepted a mediated settlement in this case to end the controversy and litigation over riparian rights in the flow of Deep River. Randolph County's share of the settlement is \$440,625 (18.75% of the total \$2.35 million settlement). Mr. Flory said that the settlement is for all claims of damages up to the 48 million gallons per day (MGD) safe yield of the reservoir. It is inclusive of all of the plaintiffs' attorney and expert witness fees and any applicable interest charges that would have been allowed under the inverse condemnation statute. The agreement encompasses all known

facilities between the Randleman Dam and the confluence of the Haw and Deep Rivers. He said that this means that any future exposure for damages caused by the transfer of water out of one basin to another, the significant damage component in the case, should be limited. They feel the settlement mitigates any possibility of damages from hydroelectric plants further downstream.

He stated the case had been going on since 2008 and was argued before three levels of the NC Court on the legal grounds that the hydroelectric facilities had for filing the lawsuit, which they filed as an inverse condemnation lawsuit against the PTRWA. The PTRWA maintains that their legal basis for that argument was possibly incorrectly interpreted; however, the Supreme Court denied the appeals.

Mr. Flory said that there were two components in the claim of damages. The first part of the claim was from the use of the water for filling of the lake and the ongoing component was for the water transferred out of the basin. They claimed that the water being transferred out caused them to lose their capability to produce electricity with that water. The judge ruled that they were eligible for damages for that claim for a period of fifty years.

Commissioner Frye reiterated that all the owners of the hydroelectric plants were asked by the Environmental Management Commission (EMC) to participate in the review process by providing individual facility information to assist the EMC in its deliberations, but the owners declined to provide the requested information and the PTRWA's permit was issued by the EMC. Commissioner Frye said public hearings were held throughout the 90's on the Environmental Impact Reviews of the project and the reclassification of the water supply. Many outside "interested" parties participated in the hearings and permitting process and the issuance of the permits was challenged in court by several groups. However, the hydroelectric facilities owners neglected to participate in the process and did not object to the issuance of the permits to flood the lake.

Commissioner Frye reviewed specific dates from the case history, as follows: In December 2008, "which would have been about three weeks after Senator Kay Hagan was elected to the Senate," is when the judge filed notice that the Superior Court denied PTRWA's motion to dismiss. In May 2009, PTRWA moved to have the Superior Court rule on the specific questions of law in the case and were denied. In November 2009, the PTRWA filed a motion with the Superior Court for a relief from the trial judge's order and requested that the judge who issued the order disqualify himself from the case in order to avoid the appearance of impropriety. Specifically, PTRWA moved that the impartiality of the court was called into question. This was due to the fact that the judge who heard the case had been recommended by Senator Kay R. Hagan as a potential candidate for a lifetime appointment as a federal judge. Senator Hagan's husband is a partial owner in one of the hydroelectric facilities represented in the case and Mr. Hagan's law firm was also representing all the plaintiffs.

Mr. Flory said that from the surface it does appear they intentionally sat out of the administrative process and waited until there was money invested in the facility before the lawsuit was brought forward.

Mr. Flory said that the settlement agreement calls for payments to be made by June 1.

Assistant County Manager/Finance Director Will Massie said these funds can be taken from appropriated fund balance of the Water Fund.

Commissioner Haywood asked Board Attorney Ben Morgan about the liability of not paying the invoice and Mr. Morgan advised they would be in contempt of court.

*On motion of Frye, seconded by Holmes, the Board voted 3-1, with Lanier opposing, to approve the payment of \$440,625 to Piedmont Triad Regional Water Authority for Randolph County's share of a lawsuit settlement and approved Budget Amendment #31 for Water Fund, as follows:*

<b>2013-2014 Budget Ordinance—Water Fund—Budget Amendment #31</b>		
<b>Revenues</b>	<b>Increase</b>	<b>Decrease</b>
<i>Appropriated Fund Balance</i>	\$440,625	
<b>Appropriations</b>	<b>Increase</b>	<b>Decrease</b>
<i>Purchase of Water</i>	\$440,625	

**Update on 2014 Reappraisal**

Assistant County Manager/Finance Director Will Massie said that local governments have to deal with a revaluation of property periodically. Under NC law, property taxes are the primary revenue source to local governments. In 2013-14, Randolph County's property tax levy was 53.4% of total County budget and in 2013-14 it was 73.4% of general County revenues.

Mr. Massie said that tax values are set to market value at regular intervals on real estate and annually on personal property, business personal property, public service companies and motor vehicles. The Tag and Tax program, whereby citizens pay their property taxes when they renew their auto tags, required the County to wait for accurate valuation information from DMV, which came in April, in order to compare past values with projected ones to make sure the amounts are as accurate as could be estimated at this time. Mr. Massie said that exemptions, exclusions and deferrals create a reduction in the property base and have to be considered.

Each county must reappraise all real property at least once every eight years unless the Board elects a shorter cycle. Randolph County elected a six-year cycle, but postponed the 2013 Reappraisal until 2014 due to software issues. He said every district saw changes, whether to land values, housing prices, business property, vehicles or public service company assessments. Since real estate values are over 75% of the total valuation, the economic effects of the financial crisis negatively impacted our tax base. Motor vehicles continue to recover from the decline in valuation seen in 2009. Overall, Randolph County experienced a 3.56% decline in total property value compared to 2013-14.

Mr. Massie said that when the tax base changes, local governments need to adjust the tax rate as well, to arrive at the same total tax revenues. This is referred to as the revenue neutral tax rate. It must be reported but does not have to be adopted as the upcoming tax rate. He gave the following example: consider the simple formula  $25 \times 4 = 100$ . If you change the 25 to 20, the multiplier would have to change to 5 in order to still equal 100 ( $20 \times 5 = 100$ ).

NC General Statute 159-11(e) of the Local Government Budget and Fiscal Control Act defines how this mathematical calculation works, and includes a growth factor based on historical growth since the last reappraisal date:

(e) In each year in which a general reappraisal of real property has been conducted, the budget officer shall include in the budget, for comparison purposes, a statement of the revenue-neutral property tax rate for the budget. The revenue-neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred. To calculate the revenue-neutral tax rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. This growth factor represents the expected percentage increase in the value of the tax base due to improvements during the next fiscal year. The budget officer shall further adjust the rate to account for any annexation, de-annexation, merger, or similar event.

Mr. Massie said that for 2013, 70 counties had sales assessment ratios over 100% and Randolph County had a ratio of 104.5%.

He stated that the current Gross Levy multiplied the Growth Factor of 0.56% divided by the valuation gives the 2014-15 revenue neutral tax rate of \$.6361. In order to keep the same revenues flowing into the budget you have to adjust the tax rate to offset the difference to operate at the current level.

The revenue neutral tax rate is required to be calculated for each school and fire tax district.

	2014 district property tax rate	2015 Estimated Valuation	2015 Revenue Neutral Tax Rate	One cent on tax rate generates (97.5% collection rate)
<b>Randolph County</b>	\$0.6100	\$10,060,796,799	\$0.6361	\$980,928
<b>School Districts</b>				
Asheboro City School	\$0.1385	\$2,146,988,698	\$0.1437	\$209,331
Archdale-Trinity School	\$0.0900	\$2,205,538,952	\$0.0954	\$215,040

The revisions to the fire district borders a couple of years ago have been considered in the growth rate portion of the calculation.

He said that in regards to the Randleman-Sophia Service District, since the 2013-14 tax rates for the two former districts were the same (\$.10 per \$100 of valuation), the new value is the sum of both districts and the new tax rate calculated on the combined total. Each municipality within the County has calculated its own tax rate. The following are the details of the calculation for the County fire districts:

<b>Fire Districts</b>	2014 district property tax rate	2015 Estimated Valuation	2015 Revenue Neutral Tax Rate	One cent on tax rate generates
Bennett Fire District	\$0.080	\$41,492,099	\$0.0771	\$4,045
Climax Fire District	\$0.120	\$453,294,299	\$0.1244	\$44,196
Coleridge Fire District	\$0.073	\$238,040,255	\$0.0740	\$23,209
Eastside Fire District	\$0.090	\$447,238,659	\$0.0922	\$43,606
Fairgrove Fire District	\$0.080	\$355,552,577	\$0.0883	\$34,666
Farmer Fire District	\$0.075	\$204,844,912	\$0.0769	\$19,972
Franklinville Fire District	\$0.100	\$477,727,079	\$0.1033	\$46,578
Guil-Rand Fire District	\$0.120	\$1,943,366,688	\$0.1262	\$189,478
Julian Fire District	\$0.100	\$86,820,882	\$0.1019	\$8,465
Level Cross Fire District	\$0.110	\$215,859,370	\$0.1116	\$21,046
Northeast Fire District	\$0.090	\$131,026,054	\$0.0902	\$12,775
Randleman Fire District *	\$0.100	\$239,485,519		
Seagrove Fire District	\$0.100	\$195,193,283	\$0.1006	\$19,031
Sophia Fire District *	\$0.100	\$125,490,872		
Southwest Fire District	\$0.100	\$82,079,034	\$0.1003	\$8,003
Staley Fire District	\$0.100	\$153,130,392	\$0.0993	\$14,930
Tabernacle Fire District	\$0.100	\$337,375,745	\$0.1054	\$32,894
Ulah Fire District	\$0.061	\$556,095,290	\$0.0621	\$54,219
Westside Fire District	\$0.100	\$646,321,726	\$0.1033	\$63,016
Randleman-Sophia District *	N/A	\$364,976,391	\$0.1032	\$35,585

\* Randleman (Tiger Country) and Sophia Districts merged on 7/1/14.

**Adjournment**

*At 8:30 p.m., on motion of Frye, seconded by Lanier, the Board voted unanimously to adjourn.*

\_\_\_\_\_  
J. Harold Holmes, Chairman

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Darrell L. Frye

\_\_\_\_\_  
Arnold Lanier

\_\_\_\_\_  
Stan Haywood

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Amanda Varner, Deputy Clerk to the Board