

Minutes of the Regular Meeting
of March 7, 2011

The Union County Board of Commissioners met in a regular meeting on Monday, March 7, 2011, at 7:00 p.m. in the Board Room, first floor, Union County Government Center, 500 North Main Street, Monroe, North Carolina. The following were

PRESENT: Chairman Jerry B. Simpson, Vice Chairman Todd Johnson, Commissioner Tracy Kuehler, Commissioner Kim Rogers, and Commissioner Jonathan Thomas

ABSENT: None

ALSO PRESENT: Cynthia A. Coto, County Manager; Wes Baker, Interim Assistant County Manager; Lynn G. West, Clerk to the Board of Commissioners; Jeff Crook, Senior Staff Attorney; H. Ligon Bundy, County Attorney; members of the press, and interested citizens

General Business:

Chairman Simpson convened the meeting at approximately 7:00 p.m. and welcomed everyone present.

Opening of Meeting:

- a. Invocation: Rev. Lee Pigg, Pastor of Hopewell Baptist Church, offered the invocation.
- b. Pledge of Allegiance: Chairman Simpson led the body and audience in reciting the Pledge of Allegiance to the United States flag.

Informal Comments:

Chairman Simpson reviewed the guidelines for the informal comments and recognized Bobby Kilgore, Mayor of the City of Monroe, as the first speaker.

Mayor Kilgore read the following Resolution Regarding Postponing Countywide Property Revaluation into the record:

**RESOLUTION IN SUPPORT OF POSTPONING
COUNTYWIDE PROPERTY REVALUATION
R-2011-03**

WHEREAS, the City of Monroe understands that property revaluation is a favored way to provide equitable distribution of the tax burden among the entire county; and

WHEREAS, the last property evaluation was performed by Union County in 2008 and state statute mandates each county must complete a property revaluation at least every eight years; and

WHEREAS, the Union County and national financial landscape has changed dramatically over the past four years leading to increased unemployment, underemployment, foreclosures and financial hardship; and

WHEREAS, several households in Monroe and throughout Union County are already facing financial difficulties and would be adversely affected by a property revaluation in 2012; and

WHEREAS, a property revaluation performed in 2012 will not portray an accurate picture of the value of the property and surrounding property due to increased foreclosures and market trends; and

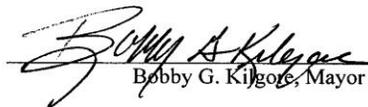
WHEREAS, the City of Monroe would incur a negative budgetary impact from a revaluation at this time; and

WHEREAS, the Monroe City Council believes it would be prudent for the Union County Board of Commissioners to postpone conducting the countywide property revaluation.

NOW, THEREFORE, BE IT RESOLVED, that the City of Monroe strongly recommends that revaluation be postponed at this time

Adopted this 18th day of January, 2011.

Attest:


Bobby G. Kilgore, Mayor


Bridgette H. Robinson, City Clerk



Liza Kravis stated that she wanted to speak regarding two topics. The first topic addressed by Ms. Kravis was regarding the vote tonight on the text amendment to the Union County Land Use Ordinance regarding the Conflict of Interest Disclosure Form. She said that during the first Planning Board meeting that she attended approximately eight to nine years ago, she observed a member of the Planning Board vote for his own development. Ms. Kravis said that is why the Conflict of Interest Disclosure Form is so important. She stated that it needs to be ensured that people are not making decisions for which they are going to financially benefit. She said that every member on the Planning Board at that time knew it was that member's development and not one of them said that maybe he should recuse himself. She said that she feels very strongly that this form is one way that transparency can be maintained and understand when a potential conflict of interest might be taking place.

Secondly, she said that she wanted to talk about the revaluation. She stated that unlike Mayor Kilgore she is opposed to rescinding that action, and she thought the County should move forward with the revaluation. She said that there are unprecedented changes in the financial landscape, and they are not going to change overnight. She stated that we would be in this situation for many years, and, in the meantime, there are a number of houses that are incorrectly valued. Ms. Kravis said that she believes it is possible that there are a number of houses in this county that are unfairly pulling the burden of paying the taxes for other parts of the county. She stated that it is real important that everyone feel that their house has been properly and equitably appraised and everyone pays their fair share of the taxes across the county. She said that Union County has been in the process of doing revaluations every four years, and she thought that it should continue with this process. She stated that four years ago tax values increased, but that was fair and it is important that everyone understands the current situation and the current real estate values. Ms. Kravis said to put this off another four years is potentially creating some significant inequity around the County.

Dan Barry, Mayor Pro Tem of Town of Weddington, requested permission from the Board that he be granted an extra minute in which to deliver his informal comments. There were no objections voiced by the Board to allowing Mayor Pro Tem Barry's having an extra time for his comments.

He referred to a letter that was included in the Board's agenda package signed by him dated March 2, 2011, in regards to the Rea Road Extension Project. He stated the Town Council met today and passed the following resolution:

TOWN OF WEDDINGTON
RESOLUTION SUPPORTING
SEWER CAPACITY ALLOCATION
FOR THE WOODS SUBDIVISION
R-2011-05

WHEREAS, the Woods Development Company owns approximately 265 acres situated along Providence Road and Weddington Roads within the Town of Weddington (“Weddington”) and seeks to develop that property as a residential subdivision (the Woods); and

WHEREAS, the Woods includes certain property necessary for the Rea Road Extension which if donated to the Town would allow the State to expedite the construction of the Rea Road Extension as it will account for approximately two-thirds of the length of the Rea Road Extension; and

WHEREAS, the Woods desires sewer capacity within the Mundy’s Run Creek basin for its development which will serve approximately 260 lots and make the project viable; and

WHEREAS, the Woods has petitioned Union County for sewer allocation to its development and has indicated that it is willing to dedicate and donate the right-of-way for Rea Road Extension subject to the allocation of sewer from the County; and

WHEREAS, subject to the approval of sewer allocation, the Woods has committed to build a sewer line that will accommodate commercial and other non-residential development and will serve the entire Mundy’s Run Creek basin; and

WHEREAS, the Mecklenburg-Union Planning Organization (“MUMPO”) has approximately \$2.3 million currently set aside and allocated for the Rea Road Extension but, the Rea Road Extension must be included in the Transportation Improvement Plan (TIP) to be adopted at MUMPO’s March 16, 2011 meeting if the project is to be built in the near future; and.

WHEREAS, NCDOT has indicated that if the current TIP contains funding to build two of the planned four lanes or the Rea Road Extension but this does not include money for right of way acquisition; and

WHEREAS, the realignment of Highway 84 with the Rea Road Extension is one of the highest ranked projects on the Western Union County LARTP; and

WHEREAS, the approval of sewer allocation to the Woods is extremely time-sensitive, is very important for the region and, if the Woods request is not approved, may result in the forfeiture of \$2.3 million in state highway funding; and

WHEREAS, Weddington supports the County's allocation of sewer to the Woods development and believes that the approval of this request will achieve the following:

1. Expedite the re-location of Highway 84 (Rea Road Extension) by the dedication of right-of-way by the Woods subdivision;
2. Accommodate the construction of the Mundy's Run sewer line distribution system; and
3. Provide for sewer infrastructure that will accommodate non-residential development in Weddington; and

WHEREAS, the approval of sewer allocation for the Woods will provide substantial economic benefits to both Weddington and Union County through public infrastructure improvements being dedicated to Weddington; and

WHEREAS, the approval of sewer allocation to the Woods will promote greater non-residential development within Weddington, as Weddington is currently exploring mixed-use development opportunities within the Town; and

WHEREAS, the approval of this request also would improve traffic flow along Highway 84, Providence Road and western Union County and will improve overall safety for the traveling public; and

WHEREAS, Weddington's support of this request does not constitute a waiver by Weddington of any governmental approval necessary for the Woods development in Weddington and Weddington's support of this request does not constitute a governmental approval by Weddington of the Woods development.

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Weddington hereby supports the Woods request for sewer allocation and requests that Union County allocate to the Woods sewer capacity to support the expedited construction of the Rea Road Extension and to support residential, commercial and other non-residential development within Weddington and western Union County.

This resolution is adopted this the 7th day of March, 2011.

Mayor Pro Tem Barry stated that he would deliver a copy of the LARTP for the Board to have during discussion of this item. .

Werner Thomisser, resident of Weddington and Councilman for the Town of Weddington, stated that in addition to Mayor Pro Tem Barry's comments, the relocation of Highway 84, better known as Rea Road Extension, could add substantial industrial benefits to Union County. He said that it would provide a direct transportation link to Charlotte Douglas International Airport, I-485; and the Monroe Airport. He said that currently approximately 80 percent of Union County's tax revenues come from residential property taxes and 20 percent comes from industrial/commercial. Councilman Thomisser stated that comparing that amount to Mecklenburg County where approximately 60 percent of its tax revenue comes from residential property taxes and 40 percent comes from corporate parks such as Ballantyne, industrial, and commercial. He said a great deal of discussion took place in 2010 concerning the creation of jobs in Union County. He further said that the light industrial development around the Monroe Airport is vital to keeping residential property taxes low. He said an example of this was approximately one and a half years ago, he took a tour of a publishing plant very close to the Monroe Airport. He stated that the owner of that business lived in Tampa, Florida, and flew his corporate jet frequently into Monroe to check on his business rather than to fly into Charlotte International Airport.

Councilman Thomisser stated the advantages are clear. He said that it would indirectly create a new tax revenue balance in Union County, creating jobs and keeping residential property taxes low. He said that there would be a very positive benefit to Union County for the NCDOT to build a connector road better known as the Rea Road Extension to the Monroe Airport.

Kevin Pressley, Mayor of the Town of Hemby Bridge, read the following resolution adopted by the Town Council of Hemby Bridge opposing a countywide revaluation:

Resolution in Support of Postponing the Revaluation

WHEREAS, the Town of Hemby Bridge understands under North Carolina State law, Union County must complete a revaluation every eight years; and

WHEREAS, the last revaluation was completed in 2008, which means by State law the revaluation must be done by 2016; and

WHEREAS, the latest statistics for the Union County Sheriff's Office shows that over 10,000 foreclosure notices have been served since 2009; and

WHEREAS, the Union County Department of Taxation, John Petoskey stated to the Union County Commissioners on December 20, 2010, that it is estimated that the County would face a 14 percent drop in revenue if a revaluation was done in 2012, which would mean an eight cent property tax increase to be revenue neutral; and

WHEREAS, Mr. Petoskey also stated on December 20, 2010, that most residents in Union County would likely face a tax increase; and

WHEREAS, the citizens of Hemby Bridge would likely see a property tax increase; and

WHEREAS, the Town of Hemby Bridge believes that lower taxes are crucial for its residents in an economy that isn't rapidly improving.

NOW, THEREFORE, BE IT RESOLVED that this 17th day of February, 2011, that the Town of Hemby Bridge recommends that revaluation be postponed at this time.

James Kerr stated that he was opposed to the revaluation and said that all should be opposed to a revaluation at this time. He said that this recession is a wake up call for us, and the county budget cannot continue to sustain based on the sands of residential

value. He said that there was an earlier quote that 80 percent of the County's tax value is residential. He stated if that is correct, then the County is in a more desperate shape than what he had thought. He said this is the County's chance to regroup and to court businesses to locate in Union County and to encourage existing businesses to expand. He stated that a revaluation is certain to show depressed residential value. He said that too much of what is counted on to service the current bond debt is on the residential value; and, if that basis is lost, the County would not be able to pay its bills, and if the County cannot pay its bills, it will lose its bond rating. Mr. Kerr said that additional residential short sales and foreclosures would be another certainty when sellers see that they are even further upside down with debt to tax value, there will be more people walking away. He stated that the federal and state budgets are forcing more programs back to the local level, and there is no way to pay the current bills with the revaluation unless taxes are increased. He encouraged the Board to keep its focus on the County as a whole.

Louis Phillipi stated that he is a resident of Stallings. He said there are two problems that the County has: one of which is a serious shortfall of revenue and the second is the County is in the depth of a horrible recession. He stated that property values are undoubtedly depressed today, but it is the depth of a recession. He said if properties are revaluated and moved downward, then it will have to be adjusted by increasing tax rates. He stated as a strong conservative, he does not want his tax rate to be raised. Mr. Phillipi said that without a doubt the recession will end and things will come back to the way they were in the past. He stated that if the property values are lowered and the tax rates increased, there is no guarantee that the current members of the Board of Commissioners and the next Board will reduce that rate to remain revenue neutral. He said that he personally opposes any increase in the tax rate. He stated that to show that this is not a personal matter but a philosophical matter, he has seven pieces of rental property, six of which he purchased for less than half of the tax value. He said that revaluation would certainly reduce his taxes considerably, but it gives the opportunity to have a higher tax rate and to take more money out of his pocket somewhere down the road. He strongly urged the Board not to raise his taxes and leave the property values alone.

At approximately 7:25 p.m., Chairman Simpson announced that this concluded the informal comments for this evening.

Additions, Deletions, and/or Adoption of Agenda:

Chairman Simpson stated he wanted to move Item 9 – Presentation by Kathy Bragg, Community Executive, American Red Cross and Proclamation Proclaiming March 2011 as American Red Cross Month – to the item prior to Old Business. Further, he said he wanted to add an item to the regular agenda, which would become Item 11 a, as a result of the Board's special meeting today

regarding the jail to send the legislators in Raleigh a request to look at the potential for alternative financing of the jail. He asked to add the minutes of the regular meetings of January 18, 2011, and February 21, 2011, to the Consent Agenda for approval.

Commissioner Rogers requested to have Item h – Minutes of Regular Meeting of January 18, 2011, removed from the agenda due to the fact that she did not have an opportunity to review the draft minutes. Both the minutes of the regular meetings of January 18, 2011, and February 21, 2011, were removed from the agenda.

With there being no further additions or deletions, Chairman Simpson moved to adopt the Agenda as amended. The motion passed unanimously.

Consent Agenda:

Chairman Simpson moved to approve the items listed on the Consent Agenda as amended. The motion passed unanimously.

a. Contracts and Purchase Orders Over \$20,000

1. Health Department – Authorized the County Manager to approve the FY 2011-2012 Annual Consolidated Agreement between the State of North Carolina and Union County, pending legal review
2. Sheriff's Office – Authorized the County Manager to approve a purchase order for eight replacement HVAC Rooftop Units
3. General Services: Authorized the County Manager to approve a Customer Information Sheet (CIS) and Service Agreement with Aramark Uniform Services for entrance mat service for 13 Union County Government facilities
4. Communications: Authorized the County Manager to approve a Purchase Order for a Two-Year Service Agreement with Dell Extended Services for Communications hardware

b. January 2011 Budget Transfer Report – Approved report

- c. Approval of BB&T Agreement as County Depository and Amending Banking Resolution Designating BB&T as Union County Depository and Amending the Requirement for Countersignatures for Electronic Payments when Three Employee are Involved in Processing the Transaction as recorded below:

RESOLUTION APPROVING BB&T AS THE OFFICIAL DEPOSITORY AND DESIGNATING THE CHAIR AND VICE CHAIR OF THE UNION COUNTY BOARD OF COMMISSIONERS AS DESIGNATED INDIVIDUALS AUTHORIZED TO COUNTERSIGN FINANCIAL INSTRUMENTS AND WAIVE THE REQUIREMENT FOR COUNTERSIGNATURES FOR ELECTRONIC PAYMENTS WITH PROPER INTERNAL CONTROLS PURSUANT TO NORTH CAROLINA GENERAL STATUTES

Whereas NCGS 159-25 specify the duties of the finance officer; dual signatures on checks; internal control procedures subject to Commission regulations, and

Whereas, Union County has utilized BB&T as the official depository for banking transactions, and

Whereas NCGS 159-25(b) provide statutory guidance on signature and countersignatures of checks and drafts on an official depository of Union County, and

Whereas NCGS 159-25(b) allow a governing board to waive the requirements of the subsection if the board determines that the internal control procedures of the unit will be satisfactory in the absence of dual signatures, and

Whereas, through the development of technology, the County issues electronic payments and wire transfers to conduct county business, and

Whereas the internal control on electronic payments require an initiator, a reviewer, and approver, and

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the County of Union, North Carolina that the Board approve the Resolution and Agreement for Deposit Account Agreement with BB&T and designate the Chair and Vice Chair as the designated individuals authorized to countersign for checks and withdrawals on any official depository and shall waive the countersignature on electronic payments when there are three separate individuals responsible for processing an electronic payment.

BB&T

RESOLUTION AND AGREEMENT FOR DEPOSIT ACCOUNT

Union County, NC
Name of Entity

56-6000345
EIN

- | | | |
|---|---|---|
| <input type="checkbox"/> Corporation | <input checked="" type="checkbox"/> Governmental Entity | <input type="checkbox"/> Sole Proprietorship |
| <input type="checkbox"/> Unincorporated Association | <input type="checkbox"/> General Partnership | <input type="checkbox"/> Non-Profit Corporation |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> Other |

I, the undersigned, hereby certify to BB&T that I am the ^{Clerk}~~Secretary~~ (or as applicable, Proprietor, Authorized Partner, Authorized Manager or other Authorized Employee) of the above named Entity duly organized and existing under the laws of the State of North Carolina; and that the following are resolutions duly adopted by the Entity, and that such resolutions are in full force and effect and have not been amended or rescinded:

RESOLVED, that BB&T is hereby designated as a depository institution in which the funds of this Entity may, subject to the rules of BB&T, be deposited by any of its officers, agents or employees; and that any such officer, agent or employee is hereby authorized on behalf of the Entity and its name to endorse for deposit, whether in demand or time accounts, or for negotiation or collection, any and all checks, drafts, certificates of deposit or any other payment instrument payable to the Entity, which endorsement may be in writing, by stamp or otherwise, with or without signature of the person so endorsing, it being understood that on such items all prior endorsements are guaranteed by the Entity, irrespective of the lack of a guarantee by the Entity; and

FURTHER RESOLVED, that any of the individuals listed below (a "Designated Representative") is hereby authorized to open or close any deposit account with BB&T and to authorize those persons ("Authorized Signers") who may execute a BB&T signature card on behalf of the Entity and transact business on such account:

Designated Representative (Signature)	Printed/Typed Name	Title
_____	<u>David Cannon</u>	<u>Finance Director</u>
_____	<u>Jerry B. Simpson</u>	<u>Chairman, Board of Commissioners</u>
_____	<u>Matthew Todd Johnson</u>	<u>Vice-Chairman, Board of Commissioners</u>
_____	_____	_____

FURTHER RESOLVED, that BB&T be and is hereby authorized and directed to honor, pay and charge any of the accounts of the Entity, without inquiry to or responsibility for the application of the proceeds thereof, all checks, drafts, or other orders for the payment, withdrawal or transfer of money in the accounts of or to the credit of the Entity, and to honor any authorization for the transfer of funds between different accounts whether oral, by phone or electronic means without inquiry as to the circumstances related thereto and for whatever purpose or to whomever payable, including requests for conversion into cash as well as for deduction from and payment of cash out of any deposit, and whether or not payable to, endorsed or negotiated by or for the credit of any person signing

same or any other officer, agent or employee of the Entity, when signed or endorsed by an original or facsimile signature of any ^{TWO}~~ONE~~

Authorized ^{Signers}~~Signer~~; and

<u>FOR BANK USE ONLY</u>	
Prepared By _____	Date _____

Forward to:
Centralized Document Scanning Operation
M/C 100-99-15-11

FURTHER RESOLVED, that BB&T be and is hereby authorized to honor, receive, or pay any items bearing the signature of ^{two}~~one~~ Authorized ^{Signers}~~Signer~~ even though payment may create an overdraft or even though such items may be drawn or endorsed to the order of such signer for exchange or cashing, or in payment of the individual obligation of such signer, or for deposit to such Authorized Signer's personal account and BB&T shall not be required or be under any obligation to inquire as to the circumstances of the issuance or use of any such item or the application or disposition of such item or the proceeds thereof; and

to the extent permitted by applicable law

FURTHER RESOLVED, that the Entity [^]assumes full responsibility and holds harmless BB&T for any and all payments made or any other action taken by BB&T in reliance upon the signatures, including facsimiles thereof, of any Authorized Signer regardless whether or not the use of the facsimile signature was unlawful or unauthorized and regardless of by whom or by what means the purported signature or facsimile signature may have been affixed if such signature reasonably resembles the specimen or facsimile signature of the Authorized Signer; and

FURTHER RESOLVED, that any Designated Representative or person authorized in writing by a Designated Representative, or person Authorized in writing by a Designated Representative, is Authorized to obtain information on the accounts of the Entity, appoint, remove or change Authorized Signers to any accounts, deliver any night depository agreement; enter into any agreement for cash management services; to lease a safe deposit box, enter into an agreement for a deposit access device, to enter into an agreement for credit cards, or enter into other agreements concerning the deposit accounts at BB&T; and

FURTHER RESOLVED, that any and all prior resolutions executed on or behalf of the Entity are hereby revoked and that the foregoing resolutions shall remain in full force and effect until the Entity officially notifies BB&T to the contrary in writing. BB&T may conclusively presume that this Resolution and Agreement for Deposit Account and any signature cards executed pursuant hereto are in effect and that persons identified herein are properly authorized to act on behalf of the Entity. The Entity, as changes to the Designated Representatives are made, will immediately report and certify such changes to BB&T through submission of a new Resolution And Agreement For Deposit Account and a signature card. BB&T

,to the extent permitted by applicable law, ,to the extent permitted by applicable law,
shall be fully protected in relying on such certifications and shall be indemnified and saved harmless from any claims, demands, expenses, losses, or damages resulting from, the signature of any Designated Representative so certified, or refusing to honor any signature not so certified; and

FURTHER RESOLVED, that all transactions by any officer, employee, or agent of the Entity on its behalf and in its name prior to the delivery of this Resolution And Agreement For Deposit Account are hereby ratified and approved.

In Witness Whereof, I have hereunto subscribed my name and affixed the seal, if any, of this Entity,
This 7th day of March, Year 2011.

For Corporations including Non-Profit:

_____ (Seal)
Secretary/Assistant Secretary

(Corporate Seal)

For All Other Entities:

_____ (Seal)

_____ (Seal)

_____ (Seal)

Clerk
Clerk to the Board of Commissioners
(Proprietor, Authorized Partner, Authorized Manager, or other Authorized Person)

**** FURTHER RESOLVED, that notwithstanding anything herein to the contrary, the Board waives the countersignature on electronic payments.

- d. School Bond Savings Appropriation: Approved Capital Project Ordinance (CPO) #144 to Appropriate Funding for School Capital Projects from Bond Savings and Capital Outlay
- e. Financial Advisor/Swap Advisor: Authorized the County Manager to approve a contract with First Tryon for Financial Advisor/Swap Advisor Services, pending legal review
- f. Budget Amendment to Allow Two Condemned Structures to be Demolished in the Village of Lake Park: Approved Budget Amendment #28 appropriating General Fund Contingency for demolition of two structures in the Village of Lake Park:

BUDGET AMENDMENT

BUDGET	<u>Inspections</u>	REQUESTED BY	<u>John Reavis</u>
FISCAL YEAR	<u>FY2011</u>	DATE	<u>March 07, 2011</u>

INCREASE

DECREASE

Description

Description

<u>Operating Expenses</u>	<u>12,390</u>	<u>Contingency</u>	<u>12,390</u>
_____	_____	_____	_____
_____	_____	_____	_____

Explanation: Appropriate General Fund Contingency for demolition of two structures.

DATE _____

APPROVED BY _____
 Bd of Comm/County Manager
 Lynn West/Clerk to the Board

FOR POSTING PURPOSES ONLY

DEBIT

CREDIT

<u>Code</u>	<u>Account</u>	<u>Amount</u>	<u>Code</u>	<u>Account</u>	
10543500-5299	Miscellaneous	12,390	10592000-5920	Contingency	12,390
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total 12,390

Total 12,390

Prepared By awl

Posted By _____

Date _____

Number 28

g. Budget Amendment #29 – Crisis Intervention Program: Approved Budget Amendment #29 to appropriate \$93,000 in additional federal funds in the Crisis Intervention – Low Income Home Energy Assistance Program

BUDGET AMENDMENT

BUDGET DSS

REQUESTED BY Dontae Latson

FISCAL YEAR FY2011

DATE March 07, 2011

INCREASE

Description

DECREASE

Description

Operating Expenses	93,000		
Federal Revenue	93,000		

Explanation: Appropriate additional federal funds for the DSS, Crisis Intervention LIHEAP (low income home energy assistance program)

DATE _____

APPROVED BY _____
Bd of Comm/County Manager
Lynn West/Clerk to the Board

FOR POSTING PURPOSES ONLY

DEBIT

CREDIT

<u>Code</u>	<u>Account</u>	<u>Amount</u>	<u>Code</u>	<u>Account</u>	
10553160-5399-1509	Public Assistance	93,000	10453160-4340-1509	Federal Funding	93,000

Total	93,000		Total	93,000
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Prepared By	JLL
Posted By	
Date	

Number	29
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h. Minutes – Minutes of the regular meetings of January 18, 2011, and February 21, 2011 - Chairman Simpson requested to add this item to the Consent Agenda. however, Commissioner Rogers requested to remove this item due to the fact that she had not had an opportunity to review the minutes

Presentation by Kathy Bragg, Community Executive, of the American Red Cross, and Proclamation Proclaiming March 2011 as American Red Cross Month (This item was advanced on the Agenda at the request of Chairman Simpson):

Chairman Simpson recognized Kathy Bragg, Community Executive, of the Union County Chapter of the American Red Cross. She said that last year, this agency provided over 24,404 units of service. Mrs. Bragg expressed appreciation to the Board of Commissioners for its support each year and also to the Commissioners for their personal support of the American Red Cross. She noted that the Commissioners individually and as a Board had been supportive of the American Red Cross.

Mrs. Bragg stated that the American Red Cross has been in Union County for more than 94 years. She shared the various services that the Union County Chapter of the American Red Cross provides in Union County.

Chairman Simpson moved adoption of the following Proclamation:

AMERICAN RED CROSS MONTH 2011
Union County

A Proclamation

The American Red Cross fulfills a unique and vital role in our state, providing help and hopes in the face of emergencies and disaster, and is a true reflection of the humanitarian and volunteer spirit of the American people.

For nearly 100 years, Presidents have called on the American people to support the Red Cross and its humanitarian mission. In World War I, President Woodrow Wilson ordered the Red Cross to raise funds to support emergency aid to the military, as mandated by the Red Cross Congressional Charter. At that time, the American Red Cross set a goal of \$125 million and in less than six weeks donations totaled nearly \$146 million – a tribute to the overwhelming generosity of the American public.

In 1943, during World War II, President Franklin D. Roosevelt became the first president to proclaim March as Red Cross Month and called on Americans to “rededicate themselves to the splendid aims and activities of the Red Cross.” President Roosevelt’s call to action nearly 70 years ago started a tradition of designating March as Red Cross Month, a time to recognize and support the valuable work of the American Red Cross by making a financial contribution, donating blood, taking a life-saving class, or volunteering to help the Red Cross perform its mission.

Every day, through its network of employees and volunteers across Union County, North Carolina, America and the world, the American Red Cross is there to save the day when disaster strikes or when a neighbor’s house burns down. It is there when someone needs life-saving blood, or the comfort of a helping hand. It connects military families with their loved ones in service, and provides training in CPR, aquatics safety, and first aid. It spreads humanitarian aid and goodwill to people around the world.

Our county depends on the American Red Cross and because it is not a government agency, the Red Cross depends on support from the public to continue its humanitarian work. This is especially important in these challenging economic times for the Red Cross and all Americans.

NOW, THEREFORE, the Union County Board of Commissioners, hereby proclaims **March 2011 as American Red Cross Month** and encourages all Americans to support this organization and its noble humanitarian mission.

Adopted this 7th day of March, 2011.

Commissioner Thomas asked Mrs. Bragg to mention the dates of the upcoming fundraisers for the Union County Chapter of the American Red Cross. Mrs. Bragg stated that the Rhapsody in Red Gala and Auction is May 7, 2011. She said they will be having a Get Lucky for Charity Event on March 17, 2011, and a number of other events during the month of March.

Mrs. Bragg expressed appreciation to everyone for their support of the American Red Cross. She stated that many people think that the American Red Cross is a federal instrumentality, but it is supported by the local communities and volunteers.

Vice Chairman Johnson shared that he would be participating in the Community Heroes Fashion Show.

Following the discussion, the motion passed unanimously.

Old Business:

Chairman Simpson stated that there were a number of items on tonight's agenda that are relatively contentious. He shared that as he participated in last year's campaign, one message that rang clear across the County and from every citizen was that they were somewhat disappointed in the Board's conduct during meetings. The Chairman said he promised them and, as Chairman he would say again, that he would do all within his power to restore a level of decorum to the Board. He said that at the beginning of every public comment, the citizens are asked to be courteous and to keep their remarks concise and germane to the issue at hand. He said that we are blessed to live in a country where free speech is a cherished right, and, with that right, there is a responsibility to be civil in our discussions.

He stated that Union County and its citizens face an enormously challenging future, and it is important that the Board work together towards solutions and in working towards those solutions that it allow for rigorous debate. He said to keep in mind that this is the citizens' time, and they have elected the Board members to work effectively on the issues. He stated that this is not an opportunity for the Board to engage in political stumping or to make accusations regarding staff or private citizens who have no

opportunity to defend themselves. He said that there is an old agriculture adage that says “If you wrestle with a pig, I guarantee you that you are going to get muddy.” He said that he is not going to wrestle with any pigs, participate in, or allow it to continue while he is Chair. He stated that he looked forward to engaging discussions by the Board on the topics at hand.

Proposed Text Amendments to the Union County Land Use Ordinance, Section 27 Planning Board and Section 29 Board of Adjustment Public Hearing Held on February 21, 2011)

The following is the proposed text amendment:

- 1) **Amend Article III Administrative Mechanisms, Part I. Planning Board, Section 27 (b) and (d) and Part II. Board of Adjustment Section 29 (h) and (j) of the Union County Land Use Ordinance by deleting the current wording.**

Current Wording:

Section 27

- (b) Regular and alternate members of the planning board shall only be considered for appointment after submitting a completed county service application and conflict of interest disclosure form to the Clerk to the Board of Commissioners. Failure to fully disclose any required information or falsification of information on the application or disclosure form shall constitute good cause for removal pursuant to Section 21(d).
- (d) Regular and alternate members of the planning board shall not serve on any of the following Union County boards and committees during their term: the Board of Adjustment, the Parks and Recreation Advisory Board, the Joint Historic Preservation Commission, the Library Board of Trustees, the Agricultural Advisory Board, the Public Works Advisory Board, and the Board of Equalization and Review; nor shall regular or alternate members serve on the board of directors of Union County Partnership for Progress, a North Carolina nonprofit corporation.

Section 29

- (h) Regular and alternate members of the board of adjustment shall only be considered for appointment after submitting a completed county service application and conflict of interest disclosure form to the Clerk to the Board of Commissioners. Failure to fully disclose any required information or falsification of information on the application or disclosure form shall constitute good cause for removal pursuant to Section 29(d).

- (j) Regular and alternate members of the board of adjustment shall not serve on any of the following Union County boards and committees during their term: the Planning Board, the Parks and Recreation Advisory Board, the Joint Historic Preservation Commission, the Library Board of Trustees, the Agricultural Advisory Board, the Public Works Advisory Board, and the Board of Equalization and Review; nor shall regular or alternate members serve on the board of directors of Union County Partnership for Progress, a North Carolina nonprofit corporation.

Vice Chairman Johnson moved adoption of the proposed text amendments to Sections 27(b) and (d) and Sections 29 (h) and (j) of the Union County Land Use Ordinance and to adopt the applicable consistency statements.

Statements of Consistency

TO APPROVE AMENDMENTS

- (1) Amendment to Section 27 to delete subsection (b).

Pursuant to N.C.G.S. §153A-341, the Board of County Commissioners does hereby find and determine that adoption of the proposed text amendment is consistent with the adopted Union County Land Use Plan, and that adoption of the proposed text amendment is reasonable and in the public interest because of the advisory nature of most Planning Board decisions, and of the fact that other provisions of the Land Use Ordinance address the circumstances under which a member may recuse himself or herself from voting based on conflicts of interest.

- (2) Amendment to Section 27 to delete subsection (d).

Pursuant to N.C.G.S. §153A-341, the Board of County Commissioners does hereby find and determine that adoption of the proposed text amendment is consistent with the adopted Union County Land Use Plan, and that adoption of the proposed text amendment is reasonable and in the public interest because prohibition of dual memberships reduces the number of potential applicants, and because allowing membership on more than one board/committee will improve coordination and cooperation between boards and will help improve the experience and training received by planning board members.

- (3) Amendment to Section 29 to delete subsection (h).

Pursuant to N.C.G.S. §153A-341, the Board of County Commissioners does hereby find and determine that adoption of the proposed text amendment is consistent with the adopted Union County Land Use Plan, and that adoption of the proposed text amendment is

reasonable and in the public interest because other provisions of the Land Use Ordinance address the circumstances under which a member must recuse himself or herself from participation based on conflicts of interest as well as allow for objections to a member's participation (based on perceived conflicts of interest) to be considered by the board of adjustment.

(4) Amendment to Section 29 to delete subsection (j).

Consistency Statement: Pursuant to N.C.G.S. §153A-341, the Board of County Commissioners does hereby find and determine that adoption of the proposed text amendment is consistent with the adopted Union County Land Use Plan, and that adoption of the proposed text amendment is reasonable and in the public interest because prohibition of dual memberships reduces the number of potential applicants, and because allowing membership on more than one board/committee will improve coordination and cooperation between boards and will help improve the experience and training received by board of adjustment members.

Commissioner Rogers said that she was not going to belabor the point, as she has spoken to this previously. She stated that this action will eliminate transparency. She said that there have been comments at the last Board meeting and at this meeting about how in the past some Planning Board members have voted to approve their own projects, and more counties are moving towards disclosure forms. She stated that more counties are deciding to have the disclosure forms and not moving away from them. Commissioner Rogers stated that in her opinion; and, in the opinion of others in this county, it is moving backwards by taking away this disclosure statement. She said there is no harm in it; it is not difficult to complete; and it provides a sense of openness and transparency that has been missing. She stated that she would not be voting in favor of the motion.

Commissioner Thomas stated that he would be voting in favor of the motion for two major reasons. He stated it was flawed from the get go. He said if the disclosure form had been that important, it should have applied to all boards and not just a select few. He said that the previous Board admitted in their own comments that there is no policing and that the form basically goes in a file. He said that he had stated in the past and would state again that it is an invasion of personal privacy. He stated that the people who he votes to appoint to boards will either be known by him personally or he will get to know them before he appoints them to a board.

Commissioner Kuehler said that she agreed with Commissioner Rogers. She said she did research when the disclosure form was put into place. She referred to and read excerpts of an article posted on the website of the John Locke Foundation regarding open government. She stated that it seems to her that it is going in the wrong direction. She said if the problem is that the requirement for the disclosure statement was not applied to every board, it was applied to the boards that had the power to make decisions. She stated that the other boards are advisory boards, but the boards that the disclosure forms apply to are boards that can

actually make decisions without coming to the Board of Commissioners. She said that if the problem is because the requirement did not apply to all boards, then rather than rescinding the requirement to complete the form, then make the requirement applicable to every board. She stated that the applications that applicants complete include their address, education, job history, civic organizations and volunteer work, etc. She said that to her that information is more personal than asking them the three questions about their holdings.

Commissioner Kuehler said that the disclosure statement has not been a deterrent and there have been a number of people applying for the boards with that requirement in place. She said it is important to make government transparent.

Vice Chairman Johnson said that forms do not make people honest. He stated he supports a true conflict of interest form, but the disclosure form is a holdings disclosure form. He said it was mentioned that specific counties are moving towards requiring a disclosure form, but no specific counties were mentioned except for Wrightsville, which is a city. He read a list of the North Carolina counties that do not have any type of form for their boards.

Commissioner Kuehler referred to the cross-serving on boards and said that the Planning Board was unclear on why that existed. She stated for the record that the reason the previous Board put that requirement in place was because it eliminates the issue of one board being represented on another board by the same member. She said it applied only to those boards that could be ultimately be dealing with the same issue. She said that was to keep one person from taking a position on the same issue on different boards.

Following further discussion, the motion passed by a vote of three to two. Chairman Simpson, Vice Chairman Johnson, and Commissioner Thomas voted in favor of the motion. Commissioner Kuehler and Commissioner Rogers voted against the motion.

2012 Revaluation

Chairman Simpson stated that one of the first opportunities that he had as a new member of the Board was to participate in a Board orientation session, and some of the first information they received was from John Petoskey, Tax Administrator, and his staff providing an overview of the current situation relative to property values and the impact of a revaluation on county revenues. He

said that he thought it was valuable information and also thought it was information that should be disbursed as much as possible so everyone would have an opportunity to review it.

He stated there have a number of articles in the newspaper and in the media with regards to the process and the ramifications of either direction. He said this particular issue has been a difficult one for him. Chairman Simpson said there has been a lot of talk about fairness. He said that to him it comes down to a tax increase on the biggest majority of the people. He stated that with the current financial situation, the number of foreclosures, and the skewed information that will result from a revaluation, a revaluation is not going to add one penny to the \$221 million that is needed to pay the County's bills unless the millage rate is increased and the citizens are taxed more, which he said he had pledged not to do.

Following his comments, Chairman Simpson moved to rescind the action of the Board of September 7, 2010, in advancing Union County's Revaluation from January 1, 2016, to January 1, 2012, and to postpone the revaluation to a later date which will be no later than 2016 by law.

Commissioner Thomas said that he spoke with several people today and over the last few weeks, and to clarify the revaluation for those present and those who will view this meeting on the television, it is essentially when the value of one's home reduces a certain amount but yet the tax rate is increased on it exceeds what is actually the decrease in the value. He said that in actuality, instead of writing a check in the same amount even though it is revenue neutral, two-thirds of the County's homeowners will be writing a check for a larger amount and receive less service. He said that the County was going to have less services, and more than two-thirds of the homeowners will be asked to pay more in taxes. He said it is a flawed system. Commissioner Thomas said he agreed with Chairman Simpson and had pledged not to increase taxes. He said now is not the time to raise taxes; there have been over 12,000 foreclosures since 2008. He noted that 80 percent of the County's budget comes from real estate taxes, and, if a revaluation was done, there would be at least a 14 percent reduction in County revenue with no adjustment on the ad valorem rate. He said that he thought the residents need a tax decrease, but in order to go forward with the revaluation, taxes would have to be increased.

Commissioner Thomas said that one of the matters that he remembered from Mr. Petoskey's presentation was the comparisons. He said that Mr. Petoskey had mentioned there were 5,000 or 6,000 appeals in the last revaluation, and if there are 15,000 or 20,000 appeals the next time, it only adds to the cost. He said that tax relief should be given to all, at least all who pay

taxes and not one group versus another. He stated that one thing he has not heard mentioned that he believes is important is the impact that a revaluation would have on real, personal and commercial property. He said that personal property includes farm equipment that is not part of an incorporated farm such as a tractor and other equipment. He stated that Mr. Thomisser had spoken about seeing a business with machinery inside of it, and a ten cents tax increase would apply to all of the machinery, computers, desks, etc. He said everyone who owns a car will also pay higher taxes. He said he would be voting in support of the motion to rescind the Board's action of September 7, 2010.

Commissioner Kuehler referred to a packet entitled "The Assessment Process in Union County." She read an excerpt from that package as follows: "In a fast growing county like Union market conditions are constantly changing and property values fluctuate. Over time property values change at different rates, and inequities in property values occur. Revaluation brings property assessments back to market value so that each property owner pays his/her fair share of the property tax burden. State law requires a revaluation be conducted in the more urban areas when the assessment to sales ratio drops between given percentages. In rapidly changing counties, the norm has become a four year revaluation cycle." She stated that there is also a Local Government Law bulletin 121 which states that "Tax bills are dependent upon the tax rate as well as the tax valuation, and it is argued that revaluation is necessary to more fairly distribute the tax burden. A revaluation alone doesn't equal a higher tax bill. It means a more equitably assessed property value. The tax rate vote and the revaluation decision are two different issues. Delaying may be popular with folks whose values have not increased but it taints a process that should be as equitable as possible."

Commissioner Kuehler said that in Catawba County's 2011 revaluation, it was stated "that each County is required to it at least every eight years, that the primary purpose is to equalize the tax burden among all classes of property." She said that Catawba County gave an example that "if you have a house of \$100,000 as of January 1, 2011, one property is located in a high growth neighborhood, similar properties that have sold indicate an average annual rate of appreciation of five percent. The other property located in a less popular neighborhood or less growth indicates an annual rate of appreciation of two percent for sales of similar properties. In only four years time, the more desirable would be the \$121,600 and the less desirable worth would be \$108,200. Yet both owners are still paying the same amount of taxes based upon the \$100,000 unless a revaluation is conducted. From this example, you can see that periodic revaluations help ensure a fair distribution of the tax." She said that the City of Monroe's resolution stated that it is an equitable and fair distribution of taxes. She stated that she has heard the argument about an accurate picture due to current market conditions. She said the current market conditions are the accurate picture, and she stated she has heard the argument "Wait

until the recession ends.” She asked if she were to believe that until the end some residents should carry the burden of others. She said that she has an issue with it.

She shared that of the top 11 counties with the largest gaps currently between market value and assessed value, Union County is number eight in the state, ten of those conducted revaluations in 2007 or 2008, and five were done in 2008 including Union County. She said that all but two of those eleven counties did revaluations in 2011 or will be conducting them in 2012. Commissioner Kuehler said that no one sitting on the Board can say that the current assessed values adequately reflect the market values; and, thus, to tax people on property that is wrongly valued is inherently unfair taxation. She said that principle dictates that the values used for collecting delinquent taxes should be accurate. She stated that the preference for some may be to delay fixing this system, but fixing the system is the right thing to do. Commissioner Kuehler said that she has heard the estimate that some 4,000 people challenged their values from the 2008 revaluation. She stated that in theory the 2008 values that were assigned during that appeals process should have been closest to the real market value than they would ever be. She said that you have to wonder how many citizens in the County regardless of their location, the size of their house, the cost of their home are confident that their homes are currently worth what their tax assessment says they are worth. She asked if there would be numbers of people who would challenge those market values. Commissioner Kuehler said the problem is that not one of those people can challenge their value against today’s market, because any appeals they make have to be made against the value of their property as of January 1, 2008. She stated they have no recourse, and they can do nothing until the County rights the system on which it collects taxes.

She stated that she is not a fan of dissecting who might or might not benefit from a revaluation, because she does not think it should matter who is affected, but what matters is the process as it stands, and the current process is not equitable. She said not to forget the people who are long-time residents of the County, natives of the County, landowners who have had their homes passed down through generations and due to the unprecedented growth in some of the areas where some of the residents are located have found themselves barely able to hold on to their family land, because the land values jumped so much in the tax revaluation, that they are barely holding on and some of them have been forced off their land. She said also there are many business owners who are paying taxes on values that are over inflated. She questioned how much of that money could be freed up for capital investment or another job. She said that personal property has been depreciating, and people have not been replacing it because of the economic situation so the revenues on that side have decreased as well. She stated that the tax rate is a completely separate issue from the revaluation, and the decision to increase or decrease taxes is a decision of this Board that happens in the budget process based on what the revenues are projected to be when the revaluation is completed.

Commissioner Rogers shared information from the North Carolina Department of Revenue site. She said that 70 counties of the 100 North Carolina counties are conducting revaluations within the next one to three years. She noted that 30 counties are conducting revaluations on a four-year cycle; six counties are conducting revaluations on a five-year cycle; and eight counties are conducting revaluations on a six-year cycle. She referred to North Carolina General Statute 105-286 which is the statute that requires the County to complete a revaluation at least once every eight years. However, she said that statute states “the purpose of the reappraisal is to reassess all of the real property at its true market value in money so that equity is preserved and property owners pay their fair share of the taxes.” She said that the County Assessor’s Office or the Commissioners do not create the property values. She stated that the Assessor’s Office and the Commissioners have the legal responsibility to study those transactions and appraise property accordingly. She said that the primary goal of reappraisal is uniformity and fairness, and emphasized that the purpose of a reappraisal is not to increase revenues or to provide tax breaks but to fairly, equally, and uniformly appraise real property at its true value and money. She said that the process of determining the tax rate is difficult. Commissioner Rogers said that local governments have been forced to make more hard decisions. She stated they are receiving less money from federal and state funding, and whenever property is exempted from the ad valorem tax base, the remaining taxable properties bear more of the tax burden.

She said that another comment that has been made is that it is not based on one’s ability to pay; it is based on the value of the home. She said at least 33 states in this country perform revaluations at least once every 5 years; and 11 states update the property values annually. She said that property assessments are fair so long as County tax boards and municipalities perform revaluations often enough to keep assessments accurate. She said that the law provides a system that is fair, but if it is not used properly, there can be inequities. She stated that two of the largest municipalities in the County, Indian Trail and the City of Monroe, support rescinding the revaluation. She said that while those two municipalities may be the largest in population, the largest amount of revenues in the County is from the Sandy Ridge Township. She said that Indian Trail also had the opportunity to cut its tax rate the last revaluation, but it chose to cut the tax rate one-half cent but did not cut it to make it revenue neutral.

She said there are many people who are confused about this issue, and there is a lot of misinformation. She gave an example of two people purchasing the same item in a store but with one of the purchasers paying a different price along with an escalated price based on its value four years ago when the item was first introduced. She said that this will do the same thing as not doing a revaluation will do. She read a statement about right and wrong and made a comparison to revaluation.

Commissioner Rogers said there have been comments that people will get hurt by the revaluation, if it is done. She stated that she crunched some numbers and what she found out was that no one will get rich from a revaluation or no one is going to become poor from a revaluation. She gave an example of a house with a current value of \$618,000 and a tax rate of sixty-six and one half cents (the current rate), the taxes would be \$4,109. She said if that house decreased in value by \$80,000 to \$538,000 and the tax rate had to go up to seventy-four and a half cents, the tax would be \$4,008, an annual savings of \$101. She gave a second example of a \$150,000 house at a tax rate of sixty-six and a half cents, the tax bill would be \$997, and if the value of the house decreases to \$140,000, and the tax rate increases to seventy-four and a half cents, the tax bill will be \$1,043.

Commissioner Rogers shared a quote from former President Ronald Reagan, “We need true tax reform that will at least make a start toward restoring for our children the American dream that wealth is denied to no one, that each individual has the right to fly as his strength and ability will take him, but we cannot have such reform while our tax policy is engineered by people who view the tax as a means of achieving changes in our social structure.” She further quoted from former President Ronald Reagan that “Governments don’t reduce deficits by raising taxes on the people. Governments reduce deficits by controlling spending and stimulating new wealth. Any vote to support unfair taxation is akin to socialism.” She said that by not doing the revaluation, it is forcing a tax increase on the ones who are being unfairly taxed. Commissioner Rogers said that a lot of people are not aware that this subject is being discussed and they think the revaluation is going forward. She stated she would not support a taxation that she knows is unfair, unjust, inequitable, and just plain wrong.

Vice Chairman Johnson said there has been a lot of discussion tonight but still the question has not been answered of “Who is going to raise the taxes? Who is going to vote to do it?” He stated that someone will have to raise the taxes if the revaluation is done. He said the County would have to find \$33 million, and he personally thinks the schools and the services that the County receive are way too important to butcher them in this revaluation, because he refuses to raise taxes. He said that he has had a chance to talk with four or five of the largest landowners in Union County and none agree that the County should do a revaluation at this time. He said all of them have said this is not what is needed at this time.

He said that Commissioner Thomas mentioned the number of foreclosures, and stated it needs to be remembered that these are lives and families that have been destroyed. He stated that in addition, the City of Monroe, and the Towns of Indian Trail and Hemby Bridge have all passed resolutions against the revaluation. He said to date, there have only been two municipalities pass a resolution in favor of a revaluation. He stated that one gentleman has mentioned that he was going to ask Weddington to pass a resolution in

favor of it, and it failed. He said that taking the City of Monroe, Indian Trail, Hemby Bridge, and Weddington as well as the unincorporated Union County that is 71 percent against the revaluation. He stated that adding the two municipalities that have passed resolutions for it, that is four percent, that leaves 25 percent who have chosen not to make a decision either way. He stated that over the last few months he has been privileged to see a world of email blast on the internet, and he said that he has had 13 people contact him in opposition to the decision that the Board may rescind the revaluation. He said it is a tax increase because most people forget the vehicles. He said what many do not understand is 23 cents of every dollar that is taken in goes toward the County's debt services.

In addition, he said that one Commissioner was quoted as saying "The problem is people can't sell their homes because they would be willing to sell it for half the value of the taxes currently assessed." He reiterated that 13 people have indicated opposition to a decision that may rescind the revaluation in addition to the one person who spoke tonight. He reiterated that 71 percent of the people represented said they do not want the revaluation now. He mentioned that there is a blog on the Internet that focuses on political issues in the County from the western part of the County, and on that website there has been a question "Are you for or against the revaluation?" He stated that the majority of the people said "no." He said that this issue which has been spoken about so passionately tonight about being fair was such an important issue in December 2008, January 2009, June 2009, December 2009, and all through 2010, it was brought up on September 7, 2010, which is after an election. He stated if it were such an important issue, it should have been mentioned long before September 2010.

Vice Chairman Johnson said there have been a lot of facts and data discussed tonight and there have been emails. He said that no one is talking about the banker's perspective about how the revaluation affects his line of work. He stated that he encouraged people to talk with their banker. He said equity lines are advertised with no closing costs. He said that there is no appraisal on equity lines. He stated that the following are used for approval of equity lines:

1. A prior appraisal
2. Tax Assessment value
3. Prior loans on property

Vice Chairman Johnson said that banks use a "look up" feature, and it is usually proprietary software to the particular bank. He stated he has been told by more than one banker that a revaluation will cause, if not all, most equity lines in the County to be reviewed

with “look up” and be re-evaluated. He stated that leads to shrinking equity lines, and some equity lines will be closed because of the discrepancy. He said that credit utilization will be higher. He stated that some people use their equity line to live and buy their food if they are without a job, to pay for college educations for their children, and to pay for healthcare services, and some use it to pay their current mortgage payments. Further, he said that other consequences are: 1) when the loan exceeds the valuation, then the note will be called; 2) if the line of credit is closed by the creditor, a closed by creditor will be shown on the individual’s credit report; and 3) there could be a “walk away” effect where homeowners walk away from their homes. He reiterated that if the revaluation was so important, it would have been done before the election. He described it as being reckless and careless. He stressed that he could not and would not vote to raise taxes.

Commissioner Rogers commented on Vice Chairman Johnson’s point of why it was done on September 7. She said that this has been a conversation that has been discussed since she came on the Board in 2008. She stated that she and Mr. Petoskey have had several conversations over the last two years about this matter. She said it was not something done in September by a lame duck board, as was mentioned, but it was done at that time because the Board was told to do it. She said that she would have voted on this issue in December 2008 or January 2009, but the Board was told by staff that it was too early and not to do it, and the Board was following the direction of staff.

Commissioner Kuehler said that she has not received one email from a citizen to rescind the revaluation. She said that she thought most of the Board members received emails from people wanting to buy out houses they can afford based on market value, but at the end of the day and the house is \$300,000 and is assessed at \$520,000, they cannot afford the taxes because the home is being assessed at the 2008 value rather than the actual fair market value of the house.

At approximately 8:35 p.m., following his comments, Commissioner Thomas moved to call the question on the motion. The motion passed by a vote of three to two. Chairman Simpson, Vice Chairman Johnson, and Commissioner Thomas voted in favor of the motion. Commissioner Kuehler and Commissioner Rogers voted against the motion.

Chairman Simpson repeated the motion to rescind the action of the Board of September 7, 2010, in advancing Union County’s Revaluation from January 1, 2016, to January 1, 2012, and postpone the revaluation to a later date which will be no later than 2016 by law. The motion passed by a vote of three to two. Chairman Simpson, Vice Chairman Johnson, and Commissioner Thomas voted in favor of the motion. Commissioner Kuehler and Commissioner Rogers voted against the motion.

At approximately 8:35 p.m., Chairman Simpson called for a ten-minute recess in the regular meeting.

Chairman Simpson reconvened the meeting at approximately 8:45 p.m. and called the next item on the agenda.

Amendments to Policy for Allocating Wastewater Treatment Capacity and Short-Term Water Allocation Plan:

Chairman Simpson recognized Ed Goscicki, Public Works Director, to present this item.

Mr. Goscicki explained that this agenda item consists of two items: 1) Policy for Allocating Wastewater Treatment Capacity – Amendment #1; and 2) Short-Term Water Allocation Plan – Amendment #1. He said that there had been a much more extensive discussion with the Board regarding the Policy for Allocating Wastewater Treatment Capacity. He said the Sewer Allocation Policy was put in place approximately three and one half years ago. He stated that at the time the policy was adopted the utility growth rate was nearing 12 percent. Mr. Goscicki said that the County was just coming out of a sewer moratorium imposed by the State for exceeding the capacity of Twelve-Mile Creek Wastewater Treatment Plant prior to the expansion. He stated that there were concerns about when the next expansion of Twelve-Mile Creek would come. He explained that the policy was put into place to identify all of the potential parties who were looking for sewer allocation, prioritize those based upon the level of commitment that it was believed they had in the system; and to put a system into place that allowed the County to manage and track the amounts of the allocations.

Mr. Goscicki stated that over the last three and a half years much has changed, and a comprehensive system is now in place that tracks all of the 500 plus projects that have sewer capacity allocated to them. He said that the County has received very favorable news from the State regarding the expansion of Twelve-Mile Creek Wastewater Treatment Plant in a speculative limits letter that says they will allow the expansion, but it will have to go through the permitting phase. He stated that the growth rate has slowed from approximately 12 percent to 1.5 percent, which is much more manageable. He said that the Water and Sewer Master Plan that is currently underway anticipates no more than two and a half to three percent growth over the next ten years. He stated that with the down turn in the economy, many of the projects on the sewer allocation project list have gone away, and much of the allocated capacity has been recovered.

He said that on the downside, the wastewater flows have increased but some of that is due to people connecting to the system, and the County has come out of one of the most significant droughts that it has had in two decades. He shared that the analysis shows that there are 370,000 gallons of capacity that staff is comfortable recommending to the Board that can be allocated. He said that a settlement agreement was reached with Goose Creek Utilities for the County to take over that utility and through that settlement, another 75,000 gallons of capacity was recovered. He said in total there are about 445,000 gallons of additional wastewater capacity that staff is comfortable saying can be allocated. He reiterated that this amount is additional capacity beyond meeting all of the obligations under the current Sewer Allocation Policy. Mr. Goscicki explained that one of the caveats of the Sewer Allocation Policy that exists today is that there is a third priority residential category which was a significant number of projects and a significant amount of capacity. He said that the projects in this category were only allocated a small fraction of their total capacity. He said that the 450,000 gallons of available capacity are after fully allocating all of the capacity to those projects, as was stipulated in the current policy. He stated that the current policy anticipated that when the diversion project was done and the full capacity could be obtained from the Charlotte-Mecklenburg Utility Department (CMUD), the County would be able to honor its existing obligation to those projects. He said all of those projects can move forward, and they will have only one year to begin construction or the capacity will be forfeited.

Mr. Goscicki stated that what is being recommended in the Amendment to the Policy for Allocating Wastewater Treatment Capacity is that the 445,000 gallons of additional wastewater treatment capacity be allocated with 45,000 gallons of that amount to be allocated as additional one-tap capacity within the Sewer Allocation Policy. He stated that the original Sewer Allocation Policy only had about 14,000 gallons of capacity for one-taps. He explained that one-taps are where there is a sewer line running in front of property and the property owner wants to connect to the County's sewer line and all that is needed is to run the service line. He said that all of the 14,000 gallons of capacity has been allocated. He noted that there are approximately 80,000 gallons of capacity for one-taps. He said staff is suggesting that the 400,000 gallons balance of the additional wastewater treatment capacity be allocated to non-residential projects similar to what the Board approved for the Water Allocation Policy last year. He stated that it is recommended that some of the constraints that were placed in the Water Policy be loosened up. He said that it was anticipated that there would be a rush to the door for the 140,000 gallons of capacity on water, so there were some very stringent requirements made before that capacity could be obtained. He said that the projects still have to be shovel ready and the projects must have building permits in hand within 270 days from the time that capacity is allocated.

Mr. Goscicki stated that the companion piece of this item is the Amendment to the Short-Term Water Allocation Plan to loosen up the same criteria that he had mentioned because it was a little too stringent and match it up with what is being recommended on the sewer allocation. He noted that on the Short-Term Water Allocation Plan, it is recommended to increase the 140,000 gallons of capacity to 400,000 gallons of capacity to match up with the sewer allocation. He stated that a number of projects have come before this Board and previous Boards that had sewer but did not have water or had water and could not obtain sewer capacity. He explained that the things that have changed on the sewer capacity that allows this to be done is that the County is moving forward with the diversion project, and it is anticipated that an agreement will be signed within the next week or so with the developer that is responsible for paying for the lion's share of that line. He said there is positive news from the North Carolina Department of Environmental Health and Natural Resources (NCDEHNR) on the ability to move forward on the expansion of Twelve-Mile Creek Wastewater Treatment Plant. He said that the growth has slowed and there are systems in place to manage the growth.

He explained the justification of moving from 140,000 gallons of capacity to 400,000 plus gallons of new additional capacity is that there has been significant progress on the water side as well. He said that the water allocation capacity was really predicated on implementing water conservation measures to show that there was capacity, which have been in place approximately two years. He said where the peak days were running over 21 or 22 million gallons per day, and now the peak days are running close to 16 million gallons per day. Mr. Goscicki stated that the policies that have been put into place over the last two years have worked to keep the capacity within those peaks. He said a five million dollar investment was made to be able to make full use of the current four million gallons of capacity from the Anson County water treatment plant. He stated previously Union County was only able to utilize two million gallons of capacity from Anson County, and with these improvements, Union County can utilize its full four million gallons per day capacity. He said he was encouraged with the status of the Catawba River Water Treatment Plant improvements and with the expansion of the reservoir. He stated that staff is continuing its discussions with Lancaster County about short-term allocation that Union County may be able to obtain from Lancaster County. He said there have been significant strides in the last two and a half years on water and sewer, and staff believes it can recommend these amendments.

Mr. Goscicki said that he thought it was significant for the Board to appreciate that both of these policies are self-imposed constraints that the Board has put on itself. He stated that neither the State nor Federal Governments said that they are concerned about where Union County is with water and sewer allocation and the capacity of the plants. He said these policies were self-imposed constraints to help manage and make sure that the County was not over extended on capacity. He stated that these policies have been very effective. He said that staff anticipates that within the next 18 months or so being able to come before the Board and

recommend eliminating the Sewer Allocation Policy completely, and, hopefully, shortly after that, if not sooner, that the same recommendation could be made on the Water Allocation Policy.

Mr. Goscicki responded to questions posed by Commissioners Kuehler and Rogers. In Commissioner Kuehler's discussion, she noted that the amendment estimates the projects to be 60,000 gallons per day capacity or less. She questioned why 60,000 gallons per day. Mr. Goscicki said that there has been interest for a project of this size. He said that he had failed to mention this change going from 20,000 gallons per day capacity to 60,000 gallons per day capacity. Commissioner Kuehler expressed concern of increasing the amount to 60,000 which would limit the capacity to five projects. Mr. Goscicki stated that the current growth rate is approximately 200,000 gallons per year. He said even if all of that capacity were allocated, it would not all come on line that quickly.

Commissioner Rogers expressed her concern that the County does not have a signed contract with Anson County. She said she also had a concern, as Commissioner Kuehler had expressed, with tripling the amount of capacity for the projects to 60,000 gallons per day. She said that she preferred that the 20,000 gallons per day be doubled to 40,000 gallons per day, and if interest is received for a larger project, that staff come and request that the Board review it.

Commissioner Kuehler asked for an updated list remaining on the water and sewer allocations.

Following the discussion, Vice Chairman Johnson moved approval of the amendments to the Policy for Allocating Wastewater Treatment Capacity and the Short-Term Water Allocation Plan.

Commissioner Rogers offered an amendment to the motion, which was not accepted by Vice Chairman Johnson, to change the capacity for the projects to increase from 20,000 gallons per day to 40,000 gallons per day rather than 60,000 gallons per day.

Chairman Simpson called for a vote on the amendment. The motion failed by a vote of two to three. Commissioner Kuehler and Commissioner Rogers voted in favor of the amendment. Chairman Simpson, Vice Chairman Johnson, and Commissioner Thomas voted against the amendment.

The Chairman called for a vote on the original motion which passed by a vote of three to two. Chairman Simpson, Vice Chairman Johnson, and Commissioner Thomas voted in favor of the motion. Commissioner Kuehler and Commissioner Rogers voted against the motion.

UNION COUNTY
SHORT-TERM WATER ALLOCATION PLAN
(AMENDED AND RESTATED)
AMENDMENT #1

DATE: MARCH 7, 2011

PREFACE

In September 2009, Union County’s Board of Commissioners adopted an Amended and Restated Short-Term Water Allocation Plan (Amended and Restated Plan). This Plan defined and set forth allocation of the limited remaining water treatment capacity in Union County’s (the County) Catawba River Water Treatment Plant (CRWTP) service area.

Recognizing several changed conditions, the County elected to review the Amended and Restated Plan. These changed conditions include:

- Completion of the Anson County water distribution system service area project that allows for additional water to be moved into the Union County water system, and offsets demand in the CRWTP service area.
- Design and permitting progress associated with the CRWTP raw water reservoir project.
- Success with water conservation and water use restrictions.
- Much slower growth of private development resulting from the recent economic downturn.
- Recovery of capacity from projects that have failed to move forward along stipulated schedules.

As a result of these changes, the County is electing to further amend the Amended and Restated Plan as set forth herein.

AVAILABLE CAPACITY AND REVISED ALLOCATION

Given the changed conditions outlined above, Union County Public Works (UCPW) has determined that approximately 300,000 gpd of additional water treatment capacity is available for allocation under the Category A Projects for Nonresidential/Government Facilities Reserve (bringing the total to 443,000 gpd). This available allocation includes fulfillment of all Category A Projects as outlined in the Amended and Restated Plan.

REVISIONS TO SECTION 6.1.2

As of the Effective Date of this Amendment, Section 6.1.2 shall be replaced in its entirety with the following:

It is the intent of this Plan to award allocation under the Nonresidential/Government Facilities Project Reserve to multiple owners or developers. This allocation will be utilized for Projects that are estimated to use 60,000 gpd or less (as determined by UCPW) and are located in the CRWTP service area. This allocation shall be assigned to Nonresidential/Government Facilities Projects on a first come, first serve basis. The amount available shall be tracked by UCPW and shall include the amount of water allocation secured from other Category A Projects that fail to move forward as outlined in Section 7.0 of the Amended and Restated Plan.

To qualify for this water treatment capacity, owners or developers of these new Nonresidential/Government Facilities Projects shall:

- Confirm that their water treatment capacity needs are estimated to be 60,000 gpd or less (as determined by UCPW).
- Confirm that existing water lines are contiguous to the Project site directly or through an existing right-of-way, and that sufficient hydraulic capacity exists in the UCPW system to meet the needs of the Project. The requirement that existing water lines are contiguous to the Project site directly or through an existing right-of-way shall not apply to public schools since public schools have the right of eminent domain.
- Confirm proper land use permitting (including zoning) from all applicable jurisdictions to allow the proposed development to occur.
- Submit a detailed written description of the Project to UCPW for approval (including type of project, average and peak day water demands, and any other special conditions). Such written description shall include sufficient detail to enable UCPW to make a reasonable determination that it is more likely than not that the Project will proceed within the time constraints for obtaining a building permit, as outlined below.
- UCPW staff may, if desired, request additional information from the Project's owner in order to make a final determination. If approved, UCPW will issue, in writing, a water allocation for the proposed Project.
- Failure to obtain a building permit for all facilities associated with the Nonresidential/Government Facilities Project within 270 days from written approval of the Project shall result in a termination of the water allocation for those facilities for which a building permit has not been obtained. If a building permit is issued within 270 days from written approval of the Project and thereafter expires, or is otherwise terminated without issuance of a certificate of occupancy, it shall result in termination of the water allocation for the facilities that were subject to the expired or terminated building permit.

FUTURE TREATMENT CAPACITY ALLOCATIONS

As of the Effective Date of this Amendment, Section 10.0 shall be replaced in its entirety with the following:

UCPW will continually update water treatment capacity trend data and other variables to determine the effectiveness of the revised Amended and Restated Plan. Should projects identified in the Plan fail to meet the stipulated development timeframes and result in the forfeiture of their capacity, such reclaimed capacity shall be used to supplement the allocation for new Nonresidential/Government Facilities Projects. Should sufficient data become available to support revisions to the water treatment capacity allocations as outlined in the Amended and Restated Plan, as amended, the County Manager shall make further amendment recommendations to the Board of Commissioners for approval.

EFFECTIVE DATE

This Amendment #1 shall become effective upon adoption by the Union County Board of Commissioners and may be repealed or modified at any time, without notice.

UNION COUNTY
POLICY FOR ALLOCATING
WASTEWATER TREATMENT CAPACITY
AMENDMENT

DATE: MARCH 7, 2011

PREFACE

In September 2007, Union County's Board of Commissioners adopted a Policy for Allocating Wastewater Treatment Capacity (Sewer Allocation Policy or Policy). This Policy set forth allocation of the limited remaining wastewater treatment capacity in the 6-Mile Collection System; and the 12-Mile Creek and Crooked Creek Wastewater Treatment Plants.

Recognizing a variety of changed conditions, Union County (County) set forth a review of the Sewer Allocation Policy in 2010. These changed conditions include:

- Increased wet weather flows producing higher than expected maximum month flows in the wastewater collection system and at the Treatment Facilities.
- Design and permitting completion of the Planned Diversion (i.e. the 12-Mile Creek Diversion Project).
- Recovery of capacity for projects that failed to meet stipulated deadlines in the Policy.
- Much slower growth of private development resulting from the recent economic downturn.
- Postponement of several public sector projects that are now expected to occur after additional wastewater capacity is on-line.
- Advancement of the permitting process for the 12-Mile Creek WWTP Expansion Project.
- Recovery of approximately 75,000 gallons per day (gpd) of capacity from the Fairfield Plantation project.

As a result of this review, the County is electing to amend the Policy as set forth herein.

AVAILABLE CAPACITY AND REVISED ALLOCATION

Given the changed conditions outlined above, Union County Public Works (UCPW) has determined that approximately 445,000 gpd of additional wastewater treatment capacity is available for allocation. This available allocation includes fulfillment of all current, updated First, Second, and Third Priority Development Projects as outlined in the Sewer Allocation Policy.

As of the Effective Date of this Amendment, all current, updated Third Priority Projects are now eligible for securing wastewater capacity as outlined in the Policy. The owner or developer of any Third Priority Project must submit a Flow Permit Application within one (1) year from the Effective Date of this Amendment. Failure to submit this Flow Permit Application within one (1) year from the Effective Date of this amendment will result in loss of any Capacity at the Treatment Facilities reserved in favor of the Project.

From the estimated available wastewater treatment capacity (i.e. 445,000 gpd), an additional 45,000 gpd is being allocated to Tap Only Projects. The balance of 400,000 gpd is being allocated to new Nonresidential Development Projects being proposed in the areas subject to the Sewer Allocation Policy. To qualify for this wastewater treatment capacity, owners or developers of these new Nonresidential Development Projects shall:

- Confirm that their wastewater treatment capacity needs are estimated to be 60,000 gpd or less (as determined by UCPW).
- Confirm that existing sewer lines are contiguous to the Project site directly or through an existing right-of-way.
- Confirm proper land use permitting (including zoning) from all applicable jurisdictions to allow the proposed development to occur.
- Submit a detailed written description of the Project to UCPW for approval (including type of project, expected wastewater capacity needs, and any other special conditions). Such written description shall include sufficient detail to enable UCPW to make a reasonable determination that it is more likely than not that the Project will proceed within the time constraints for obtaining a building permit, as outlined below.
- UCPW staff may, if desired, request additional information from the Project's owner in order to make a final determination. If approved, UCPW will issue, in writing, a wastewater treatment capacity allocation for the proposed Project.
- Failure to obtain a building permit for all facilities associated with the Nonresidential Development Project within 270 days from written approval of the Project shall result in a termination of the wastewater treatment capacity allocation for those facilities for which a building permit has not been obtained. If a building permit is issued within 270 days from written approval of the Project and thereafter expires, or is otherwise terminated without issuance of a certificate of occupancy, it shall result in termination of the wastewater treatment capacity allocation for the facilities that were subject to the expired or terminated building permit.

These new Nonresidential Development Projects shall be processed on a first come, first serve basis.

FUTURE WASTEWATER TREATMENT CAPACITY ALLOCATIONS

UCPW will continually update wastewater capacity trend data and other variables to determine the effectiveness of the amended Policy. Should projects identified in the Policy fail to meet the stipulated development timeframes and result in the forfeiture of their capacity, such reclaimed capacity shall be used to supplement the 400,000 gpd allocation for new Nonresidential projects. Should sufficient data become available to support revisions to the wastewater treatment capacity allocations as outlined herein, the County Manager shall make further amendment recommendations to the Board of Commissioners for approval.

At such time as a Finding of No Significant Impact is received for the 12-Mile Creek WWTP Expansion Project (currently anticipated in 2012), the Sewer Allocation Policy shall be determined to have expired.

EFFECTIVE DATE

This Amendment to the Sewer Allocation Policy shall become effective upon adoption by the Union County Board of Commissioners and may be repealed or modified at any time, without notice.

Report from County Attorney on Discontinuance of Funding for Health Insurance Benefits for Union County Board of County Commissioners:

Ligon Bundy, County Attorney, presented a legal opinion regarding this matter as follows:

The currently constituted Union County Board of Commissioners consists of five members. Three of the members were elected in the general election that occurred in the fall of 2010, and two of the members were elected in the general election that occurred in the fall of 2008. All of the members were elected to four year terms. Union County maintains a health insurance plan for the benefit of several classes of county employees and elected officials. The current plan provides that the currently elected and sitting members of the Union County Board of Commissioners are a class eligible for coverage under the health insurance plan. The County pays the health insurance premiums for that covered class of sitting members of the Union County Board of Commissioners. This benefit has been provided to the Union County Board of Commissioners for a number of years and was a benefit that was provided to the Board members at the time all of the currently sitting members of the Union County Board of Commissioners ran for office and were elected.

General Statute 153A-92(a) gives the Board of Commissioners the power to fix pay and other compensation for all County officers, whether elected or appointed. General Statute 153A-92(d) establishes that a county may purchase health insurance as a part of the compensation of County officers. Paid health insurance coverage is, therefore, a part of the compensation of the sitting members of the Union County Board of Commissioners.

General Statute 153A-92(b) provides limitations on the Board's authority to reduce compensation provided to an officer elected by the people. General Statute 153A-92(b)(1) provides that the Board may not reduce the compensation provided to an officer elected by the people if the reduction is to take place during the term of office for which the officer has been elected unless the officer agrees to the reduction. General Statute 153A-92(b)(2) extends this limitation further. This subsection limits the power of County Boards of Commissioners to reduce the compensation of an office to be filled at a general election. Essentially the Board must by resolution notify the public of the reduction at least 14 days before the end of the filing period for that office, and the resolution cannot thereafter be changed until the person elected has taken office.

My opinions are, therefore, as follows:

1. The Union County Board of Commissioners may not reduce or eliminate the payment of health insurance coverage for any currently sitting member of the Union County Board of Commissioners during his or her current term of office unless that member consents to the reduction or elimination.
2. Should the Board desire to reduce or eliminate the payment of health insurance coverage for members of the Union County Board of Commissioners to be elected in the future, it may do so by passing a resolution of the reduction or elimination of this benefit no later than 14 days before the last day for filing notice of candidacy for the Office of the Union County Board of Commissioners.

Vice Chairman Johnson questioned if the Board could pass a resolution for future Boards. Mr. Bundy responded that the Board can do so, but emphasized that once it has been done, it cannot be rescinded until that office is filled by election and then it cannot be done unless the ones elected to that office consents to the reduction.

Vice Chairman Johnson asked if this would also apply to any appointment to fill an office of County Commissioner in the event one of the current members is no longer able to serve. Mr. Bundy stated that he would need to think about this question.

Vice Chairman Johnson stated that he had raised this point and he wanted to make sure that everyone understands that he pays health insurance for his individual plan. He said that he believed it was his duty to pay for that coverage himself.

Commissioner Thomas said that this issue has continued long enough. He said that in looking at the number of foreclosures that have occurred in the County over the last few years, one has to stop and think about the human aspect of those foreclosures. He stated that the community is hurting and the Board is sitting here tonight debating whether to maintain a perk of \$550 per month just for the Board members. He said if the Board does not agree tonight to stop taking the benefit, then he plans to bring up a resolution in 10 months prior to the next election expressing the Board's intent to discontinue the health insurance benefit for Board members. He said a little bit of money here and a little bit there soon adds up, and sometimes it is not the dollar amount as much as it is the principle of doing what is right.

Following his comments, he offered a friendly motion hopefully in the spirit of compromise to request that the Board members voluntarily agree to forego acceptance of the payment of health insurance premiums, not health insurance, they can pay their own portion, but the payment of health insurance premiums by Union County effective July 1, 2011. He said that would be the beginning of a new budget year. He stated that would give Board members an opportunity to look at the market and see if there is a better alternative.

Commissioner Kuehler commented that she found it interesting that the Board is discussing this matter when it has bigger problems to solve. She shared that according to the North Carolina Health Report from the North Carolina Justice Center a survey of health plans offered shows that most sitting elected officials receive health insurance benefits without paying any premiums and many have the option of extending coverage once their public service ends. She said this was the policy years before she ran for office and she suspects that this may be the case statewide for years to come, as the report ends with the recommendation that elected officials be allowed to retain their health care benefits noting that in a state with such a large uninsured population, we should not be in the business of rescinding coverage for those who have health insurance.

She stated that because the County is self-insured, payment or non-payment of the premiums do not affect the insurance claim pool. She said that she has had many conversations with all of the new Commissioners regarding other matters initiated by her. She stated that Vice Chairman Johnson stated in the last meeting that communication is a two-way street. She said that he has had no conversations with her about his concern over health insurance coverage. She stated it was not brought up as a priority or possible area of concern in the budget kick off nor was it placed on a proposed agenda to give her a heads up that he was interested in this matter. Commissioner Kuehler said a number of corporations, the big ones to the small ones, offer health benefits to part-time employees in the private sector. She said that there are numerous county governments in North Carolina that offer healthcare benefits to part-time employees. She stressed that this is not a budget issue. She stated that she would ask Vice Chairman Johnson to pursue this area of the County's budget. She said that this Board tried to do this two years ago. She stated that she would be glad to investigate and consider ways to actually affect the County's budget in a positive manner and look forward to those discussions. She said if at the end of the day, she is costing or there is a savings to the taxpayers discernable to make a difference, then she would entertain the possibility of doing what she could to live within it in regards to her family.

Vice Chairman Johnson said that he could not be convinced that money from the taxpayers' pocket is the same as money from a Board member's pocket. He said the agenda review meeting was held before the budget work session meeting when the Board was

informed of the \$14 million deficit. He agreed that privatization of the healthcare insurance needs to be studied. In response to Commissioner Kuehler's comment about a conversation regarding the Jesse Helms Park Bridge, Vice Chairman Johnson said that he had reached out to her because of her experience and time that she had spent on that matter, and he respected her opinion as he does on many other issues. As a point of clarification, he said that he did initially reach out to her with that conversation.

Commissioner Rogers asked Mr. Bundy the amount of his legal bill for his investigation of this matter. Mr. Bundy responded that he did not know the amount of his bill. He explained that he keeps his time on a line item basis daily for each item. He said with all the matters that are going on, he would need to review his time records. He estimated that it would be in the range of three to four hours. He said that this matter falls under his general rate of \$220 per hour.

Commissioner Rogers said that she was trying to determine how much money had been spent on this research. She stated that as far as the payment for the insurance premium, the participant also pays on the premium for the family coverage. She asked for an approximation of how much staff time has been expended on this issue. Mrs. Coto responded that there was very little staff time involved. She said that it would be minimal staff time.

Commissioner Rogers said that the citizens could see where she was going with her comments. She stated that she had a difficult time believing that the reason this matter was placed on the agenda was the reason that was given. She said it was public record that this item was requested to be on the agenda by a former Commissioner for many months. She said that she was not going to support Commissioner Thomas' motion. She said she does not carry the insurance and assured that is not her issue.

Chairman Simpson requested that Mrs. West, Clerk to the Board of Commissioners, restate the motion into the record. Mrs. West restated the motion as follows: to request that the Board of Commissioners' members agree to forego acceptance of payment of health insurance premium by the County to be effective July 1, 2011. The motion passed by a vote of three to two. Chairman Simpson, Vice Chairman Johnson, and Commissioner Thomas voted in favor of the motion. Commissioner Kuehler and Commissioner Rogers voted against the motion.

Commissioner Kuehler stated that she would like clarification of the motion.

Jeff Crook, Senior Staff Attorney, requested that Mrs. West restate the motion. He said that he thought the motion was to request that the Board members take a certain action. He explained that the motion would be to request that action, not to compel it.

Carolinas Medical Center-Union: Electronic Patient Care Transformation (EPACT) Phase II:

Michael Lutes, President of CMC-Union, expressed appreciation to the Board for the opportunity to discuss this item with the Board. He stated that the Electronic Patient Care Transformation (EPACT) Phase II will provide quality, financial, and strategic benefits to CMC-Union as it meets several federally mandated initiatives. Mr. Lutes stated that while these are federal mandates, it is believed that this is the right thing to do for CMC-Union's patients as it continues its journey of ensuring patients' safety and excellent patient outcomes for the community. He introduced Denise White, Chief Nursing Officer, who gave a brief overview of EPACT Phase II.

Ms. White said that in 2004 she and John Roberts, former President of CMC-Union, came before the Board of Commissioners to discuss Phase I of this project. She explained that the first phase was the foundational phase. She said that electronic healthcare records is a journey, as it never reaches the final point.

She stated that in 2009 the American Recovery and Reinvestment Act (ARRA) came into place. Ms. White said that approximately \$27 billion dollars of that Act related to funding for an electronic healthcare record in the country. She noted that the key point of Phase II of this project is quality patient care, patient safety, and efficiency in care delivery. She said that Phase II builds on Phase I which gives deeper functionality and system functionality as a whole. She stated that the key thing in this phase is Computerized Physician/Provider Order Entry (CPOE) which allows the providers to enter the orders at the point of care. She said that this allows for the providers to have rules and alerts and a decision support system so that they can have alerts such as "Are you sure you want to order that medication" based on other information contained in the patient's profiles.

Ms. White explained that Phase II has a huge impact on the physicians as they will be doing a large portion of it. She said that this is the first step in getting them to the longitudinal patient record which is part of the Health Information Exchange (HIE) initiative. She stated that regardless of where the patient might be, access to his/her medical record will be readily available to the provider. She said another large part of Phase II is the Personal Health Record (PHR) which allows the end users and the family to have additional access to their information and allows for secure messaging between providers and patients.

Ms. White said that she believed the key things to remember is that Phase II is about quality, improving patient outcomes, patient safety, and financial impact. She explained that without access to that information, a patient might be in the emergency room one day and the emergency room at another facility a week later, and the patient might have already had a certain type of diagnostic testing, so, therefore, there is duplicative services in order to make a diagnosis. She said that by having that information, hopefully, it will decrease some of the costs. She stated it is also about strategy, because Carolinas Medical Center-Union wants to be and is the healthcare provider of choice in the community, and it wants to continue to advance and offer the citizens the highest quality healthcare.

She explained that ARRA is not just about implementing a record; it is about having an electronic healthcare record that truly gets quality outcomes that benefit the patients. She stated that there are certain criteria in the “meaningful use” criteria such as patient demographics, clinical information, etc.” She stated that approximately 90 percent of the hospitals in the country have what is provided in Phase I. She said that about approximately six to eight percent of the hospitals throughout the country have implemented Computerized Physician/Provider Order Entry. She stated that what will happen moving forward with “meaningful use” is that it provides for structure; it provides structure in the electronic healthcare record throughout the country, so that the things that are needed to be done related to health information exchange can be consistent. She said that meaningful use is about quality, safety, and efficiency and promoting health, etc. Ms. White stated that a portion of the \$27 billion available under the ARRA will be awarded and given back if they meet “meaningful use.”

She reviewed what was funded in the Phase I and what is expected in Phase II. She stated that there will be another phase in the future, but they do not know what it will involve.

Mr. Lutes reviewed the costs associated with EPACT Phase II and the incentives associated with this project. He provided the breakdown of costs to both Carolinas Medical Center-Union and Union Physicians Network. He stated the estimated operating cost for the system going forward is about \$1.2 million for licenses, support, and software upgrades. Mr. Lutes said he thought Carolinas Healthcare Systems has done a good job negotiating discounts, because it has 32 hospitals. He said that their goal is to meet meaningful use by 2013, and, if this goal is met, Carolinas Medical Center-Union can receive \$1.68 million returned from the government showing that it has met meaningful use. He noted that if they are unable to meet meaningful use in 2013, that amount decreases to \$20.9 million; and in 2015 that amount decreases to \$1.7 million and after 2015, there are no incentive payments if

meaningful use is not met. He said that if they are unable to meet “meaningful use” in 2015, they will be penalized on their Medicare rates and in 2017 it increases to \$1.3 million which are permanent and ongoing penalties after 2017.

Commissioner Rogers questioned if the EPACT system does not go into place, does that mean that Carolinas Medical Center-Union County will face a \$1.3 million penalty in 2017. Mr. Lutes confirmed that this was correct in addition to the fact that they would not receive the \$6.8 million in incentives. Commissioner Rogers questioned if the \$6.8 million would be 2011 and 2012. Mr. Lutes responded that amount is permanent once meaningful use is shown for the entire system.

Commissioner Thomas asked who makes the determination if meaningful use has been met. Mr. Lutes recognized Eric Goodwin, Director of Information Systems for Carolinas Healthcare System.

Mr. Goodwin stated that once it is believed that the meaningful use requirements have been met, the providers and eligible physicians in the hospitals will declare that they are eligible and at that point they will certify they are eligible. He said that it is up to Carolinas Medical to certify that they are eligible to receive the incentives. Mr. Lutes said that this pertains to the hospital as far as the physician part. He stated that it is their goal to show meaningful use in 2012 on the physicians’ side, and Carolinas Medical will receive \$44,000 per physician.

Commissioner Rogers asked Mr. Lutes to share a brief description of Union Physicians Network. Mr. Lutes explained that Union Physicians Network was created in 2001 to establish and promote physician growth within Union County in order to retain physicians in Union County. He said that Union Physicians Network through the management of Carolinas Physician Network offers lower malpractice rates, better benefits, and the expertise of Carolinas Healthcare System which manages approximately 1,700 physicians. He said locally there are 15 locations with approximately 50 providers in Union County with a large amount of those being primary care physicians but there are specialists as well. He estimated that last year within the Union Physicians Network there were approximately 125,000 visits.

Mr. Lutes stated that the overall capital costs of the system are \$7.6 million with an ongoing operating cost of \$1.2 million. He said it was their intention to meet meaningful use and receive \$6.8 million in return in incentives.

Commissioner Rogers asked Mr. Lutes to review what is included in the operational costs. Mr. Lutes stated that includes license, support, software upgrades. He said that, obviously, over time they hope to reduce costs by implementing this system. Mr. Lutes asked approval from the Board to expend \$7.5 million from Carolinas Medical Center-Union's reserves to fund components of EPACT Phase II.

Commissioner Thomas asked if this program will transcend providers outside the network. Ms. White responded "yes" and regardless of which network that the patient is in, the information is available.

Commissioner Rogers asked if there were any other phases expected for the project at this time. Mr. Lutes stated that if he had to guess that in 2017 or 2018 there would be another phase.

Commissioner Kuehler requested that the Board go into closed session prior to voting on this matter.

At approximately 10:05 p.m., in open session, Chairman Simpson moved that the Board go into closed session to consult with an attorney in order to preserve the attorney-client privilege in accordance with G.S. 143-318.11(a)(3). The motion passed unanimously.

The Board members moved to the Conference Room, First Floor, Union County Government Center, and the Chairman convened the closed session.

At the conclusion of the discussion in closed session, at approximately 10:35 p.m., Chairman Simpson moved that the Board go out of closed session and reconvene the regular meeting. The motion passed unanimously.

The Board members moved to the Board Room where the Chairman reconvened the regular meeting.

Following the discussion, Commissioner Thomas moved authorization to spend \$7,559,277 from Carolinas Medical Center-Union's Reserves to Fund Components of EPACT (Electronic Patient Care Transformation) Phase II. The motion passed unanimously.

Commissioner Thomas offered congratulations to Mr. Lutes for Carolinas Medical Center-Union's inspection. He said that his understanding was that the inspector had said it was one of the best, if not the best, inspections they have ever had.

MUMPO Planning Funds Request – US -74 Corridor Revitalization Plan:

Cindy Coto, County Manager, asked Richard Black and Amy Helms to come to the podium for the presentation. She stated that this is a project that has been brought forward by staff in concert with Indian Trail, Monroe, and Stallings. She said that prior to taking this matter to MUMPO for potential grant funding, staff is seeking Board authorization to do so.

Mr. Black explained that MUMPO is the Metropolitan-Union Planning Organization and consists of voting representatives from Mecklenburg County and its seven municipalities, voting representatives from Union County, Indian Trail, Monroe, Stallings, Waxhaw, Weddington, Wesley Chapel, Wingate, and the North Carolina Department of Transportation also has a voting member. He said there is a Technical Coordinating Committee made up of staff members from the voting jurisdictions and the MUMPO staff.

He outlined the responsibilities of MUMPO to be that it is responsible for carrying out the transportation planning process in the urban part of Mecklenburg and Union Counties. He stated that the Unified Planning Work Program establishes the planning priorities and the work task for each fiscal year. He said that the primary funding source for the Unified Planning Work Program is the planning funds from the Federal Highway Administration, and a percentage of that amount is allocated to voting members for transportation planning efforts. He noted that there are some restrictions on funding for those projects. He stated that it had to be a transportation project, and submittals are not always guaranteed allocations. He said they can allocate up to 80 percent of the total cost of the project, but more than likely it is less than requested. He stated that funds can only be provided to voting members, which are Union County, Indian Trail, Stallings, and Monroe. He noted that there is a 20 percent match required from jurisdictions. He said the funds must be encumbered by June 30, 2012. He explained that it is a reimbursable program meaning the County would incur the costs and then would be reimbursed for those costs.

Mr. Black reviewed some of the deliverables that the County wants to achieve with this project:

1. Develop a new vision for U.S. 74 – This project was one of the top priorities in the Comprehensive Plan approved by the County in October 2011. He said that they debated between this project and another project involving the Monroe Bypass. He stated they met with representatives of Indian Trail, Stallings, and Monroe and discussed the two projects. He said the Monroe Bypass would be more of a Land Use Project because most of the transportation elements had been scoped out, so the

group believed the best chance to obtain funding would be for the revitalization of Highway 74 because it would be more of a transportation project but with some land use implications.

2. Mr. Black said that the three towns and the County would develop future land uses based on community wide goals, determine transportation improvements needed to support this new vision for Highway 74, identify access management improvements such as new service roads, limited driveways, safe turning lanes, increasing street connections, etc. Further, he said they would identify intersection improvements, improve signal timing, adding turning lanes, modifying the intersections and review the need for more park and ride lots, commuter incentive programs, bicycle facilities, sidewalks, develop regulations for aesthetics and try to develop improved signage, lighting, streetscapes, landscaping, screening and buffering. Mr. Black stated that by working with the three municipalities, there would be comprehensive planning and coordination so that the land use work together and the transportation improvements work together so it can be planned and developed as a comprehensive and jointly funded project.

Mr. Black said that staff had made several assumptions. He stated that one of those assumptions was that the project was designed as a two-year project, because the amount of funding sought was too large too complete in one year. He said that they had looked at the last seven years of MUMPO's funding and what percentage of the funding had been allocated to projects and considering the other projects that have already been submitted so as to determine the maximum amount of funding that the project might receive. Mr. Black stated another assumption was that the cost would be divided among the four jurisdictions and chances are there would not be any other public or private funding. He said the total cost of the project is estimated to be \$250,000, and that amount divided over two years would be \$125,000 each year. He stated that MUMPO could not legally guarantee the second year funding, so if funding is received this year for the project, there might not be funding for the second year. He said in that situation, the County would either have to provide the funding itself or develop the project so that the first year the deliverables are such that it would be a useable project if funding cannot be provided for the second year.

Mr. Black shared that it is thought that the largest amount of funding that could be obtained would be approximately \$70,000. He said taking the \$125,000 cost per year for the project less the \$70,000 grant leaves \$55,000 to be divided among Union County, Indian Trail, Monroe, and Stallings.

He explained that the project is a joint comprehensive plan for future land use patterns, transportation improvements along the corridor. He said that it would establish a new vision for the corridor to ensure that potential development in the corridor is maximized. He stated that a list can be established of needed transportation improvements for the State Transportation Improvement Program (TIP). He said that it would be better to integrate transportation and land use; it will provide solutions for improved access, existing intersections, traffic flow safety, drainage, etc. Further, he said that it could establish some aesthetic guidelines such as landscaping, screening, buffering, lighting, signage, and other streetscape amenities. He noted that one of the bigger benefits would be to leverage some of the scarce funds with other funding sources to accomplish a significant project.

Mr. Black said there has been some verbal commitment from the City of Monroe, and the Town of Indian's Council will be considering this matter tomorrow night. He stated they are continuing to work with Stallings. He stated that as more information is obtained, the size of the project may have to reduce to cut down its scope in order for it to fit within the parameters. He shared that there is a meeting with MUMPO on March 16 and MUMPO will be looking for levels of commitment from the participating jurisdictions. He said that the final decision on the funds will not be made until the May 18 MUMPO meeting.

Commissioner Thomas asked what would happen if one or more municipalities choose to not participate. Mr. Black responded that they have some costs from some of the consultants and the cost of the project could be a little less. He said that it is possible that the County could receive less than the \$70,000 in grant funds.

Following the presentation, Commissioner Thomas moved to authorize expenditures in an amount not to exceed \$20,000 for the County's portion of the matching grant. The motion passed unanimously.

Public/Private Partnerships:

Chairman Simpson stated that the Board held a work session regarding the jail, at which time there was discussion about public/private partnerships and trying to move that forward through the legislature.

Chairman Simpson moved to request that Union County's local legislative delegation introduce a local bill that would enable public/private construction of county facilities whereby the County could enter into an agreement with private builders to construct one or more facilities, repay the construction costs over time, and exempt such projects from statutory bidding requirements and/or

utilize alternative construction methods. This motion includes authorization for the County Manager to refine this request with legislative staff.

Commissioner Kuehler what the advantage is from being exempt from competitive bidding.

Jeff Crook, Senior Staff Attorney, stated that he thought it was necessary for the County to have a local act to come out from under the bidding requirements in order to do a public/private partnership, because it involves the expenditure of public funds for construction even though it would be at the hands of a developer. He said that the statute would compel the County to bid and award the project. He explained the intent of this request is to have a substitute or some other method proposed by the bill drafting section that would satisfy the legal requirements.

The motion passed unanimously.

Commissioner Thomas requested that Mrs. Coto, County Manager, notify the members of the County's legislative delegation tomorrow of the Board's action. Mrs. Coto agreed that she would do so.

Consider Request for Future Wastewater Capacity for the Woods Development:

Chairman Simpson stated that he had inherited the appointment of being the County's Mecklenburg-Union Metropolitan Planning Organization's (MUMPO) representative, and had his first opportunity to attend a MUMPO meeting in late January. He said that the issue currently affecting us is the upcoming March 16 vote by MUMPO to approve priority listing for future road projects, and one of those projects is the Rea Road Extension in Weddington. He stated that this project has moved forward in the past relative to some offers by the Woods Development to donate a right of way for this project. He said that when he attended the MUMPO meeting in January, he learned that without proof of some form of progress regarding the right of way donation, this project will be moved down or dropped entirely from the priority list.

Chairman Simpson said since the January MUMPO meeting he has been contacted by Mayor Pro Tem for the Town of Weddington, Dan Barry, as well as representatives from other Union County towns who are members of MUMPO requesting assistance in maintaining the Rea Road Project as a priority. He said the Woods Development's interest in offering to donate the

right of way is in assurance that sewer capacity is available to allow it to continue with the development of its project. He explained that the problem is that the current policy is inconsistent with this request. He said he has been told by many that this project is vital to the economic development of western Union County and the potential for additional commercial development which the County badly needs to bring its residential to commercial tax base ratio more into balance and to relieve the tax burden in individual property owners. He stated it was not his intent nor should it ever be the role of this Board to approve projects on a haphazard basis or to be entering into deals with individuals. He said with that said it is his understanding that given time this project would be approved through the normal channels. He said during his candidacy for Commissioner, he promised he would work with all local municipalities to facilitate their long-term development goals. He stated that both the Town of Weddington and the City of Monroe have expressed a desire to see this project move forward. He said in addition he believes in property rights and despite feelings about development or this particular project, it is their property and their investment that is at risk.

Chairman Simpson said as he understands it they are making a conscientious effort to assist in creating future opportunity for the entire Weddington region.

Following his comments, he opened the floor for questions and/or discussion.

At the request of Commissioner Thomas, Mayor Pro Tem Dan Barry came forward to the podium. Commissioner Thomas asked the Mayor Pro Tem to explain any or all opposition to the project in Weddington.

Mayor Pro Tem Barry said that Weddington had a town council meeting tonight, and there was one family at the meeting who was in opposition to the project. Commissioner Thomas asked Mayor Pro Tem Barry why that family had expressed opposition to the project. Mayor Pro Tem Barry responded that the family owned the property directly across the street from the “C” alignment where Rea Road will intersect with Highway 84, and they are concerned that any commercial development in that area would displace them. Commissioner Thomas further asked if that family owned the adjoining property or if their property was located across the road. Mayor Pro Tem said that they do own abutting property. He explained where the family’s property is located. He said that the motion passed three to one by the Weddington Town Council today at 4:00 p.m.

Commissioner Kuehler asked for the record if the meeting of the Town Council today was a special meeting and not a regular meeting. Mayor Pro Tem Barry stated that was correct. Commissioner Kuehler said that she lives in that area and with all honesty

and all due respect to Mayor Pro Tem, she thought he was underselling the opposition, because this is the topic of conversation in many households and circles. She said that for her it is not about whether the road is needed or desired or about the economic development that may or may not result from it, but it is about the bending or breaking of almost every policy that the County has and one that has been amended tonight. She said it is somewhat like a road where there are stoplights, speed limits, yield signs, and lane lines, and all of those things are there for a reason to create the rules of the road that provide safety and fairness for all of the drivers, and to allow one driver to ignore all of those rules in as hasty a manner as the Board is being asked to do now. She said she has many questions about the current zoning as well as questions about condemnations for the remainder of the road. She said that she thought people are entitled to their property rights as well. She stated that there are quite a few properties affected by this project, and she has not had an opportunity to talk with those property owners. She said that she thought those people are owed the same deference as the Woods' representatives are owed. She stated she is not saying she is against the project, but with this timeframe and all of the questions she has, she cannot support amending a policy in that manner. She said she would be willing to look at it. She stated she is not comfortable with it, because there are too many moving parts that she has not had a chance to address.

Vice Chairman Johnson asked if there is a move to change the current zoning. Mayor Pro Tem Barry stated that the entire project is being re-engineered. He said that the challenge they have is an artificial deadline created by MUMPO and that was March 16. He stated that the Technical Coordinating Committee (TCC), which is the staff, has said it cannot do any planning because it cannot deem how serious getting some traction on the road is. He said they had asked for 60 days to work through some of the major hurdles to see if they could get the parties to the table and work out the engineering and zoning. He said all they needed to do is say the County is willing to commit sewer capacity, and the Town of Weddington is willing to commit with the developer, and the developer is willing to donate the right of way. He stated that is all that MUMPO needs for the March 16th meeting, and then the Town of Weddington's Planning staff, in association with the Department of Transportation and the developer, is going to work on the engineering and scope of the entire project, including the green space donation and the road right of way. He assured that it is nowhere near done and all that is being asked tonight is a commitment from the County that once the project is zoned and shovel ready, that sewer capacity will be available to the developer so that the developer can donate the right of way.

Commissioner Kuehler said that she understood what Mayor Pro Tem Barry was saying, but it is the precedent, the manner and the policy.

Commissioner Thomas asked the timeframe on the property being rezoned. Mayor Pro Tem Barry, after consulting with someone in the audience, responded that absorption in the sewer capacity is 18 months.

Commissioner Rogers said that some of the issues have been discussed. She stated that the problem is, as Commissioner Kuehler pointed out, several agenda items ago, the Board amended its policy. She said that by making this amendment to that policy, it flies in the face of the Board's previous action tonight on the policy. She stated that the whole basis for this is for the economic driver for Monroe, Weddington, etc. She said that the Board has a process for that as well when it is considering incentives. She explained that cost analysis of the incentives is done by Mr. Wes Baker. She said that there is nothing that specifies the amount of commercial to be done on this project versus residential. She said that would be another process the Board would not be following by approving this request. She said that there is no guarantee that there will be commercial, business, or the extent of that. She stated that the Town of Weddington's representatives have said since she has been on the Board of Commissioners that Highway 84 and Highway 16 across from the church are where the town's commercial is and that is the only commercial that the citizens want.

She said that she is not against the project in concept, but it is the way that it is been gone about. She stated that she is against amending the County's policy specific to a project and not following the County's process for economic incentives. She said that she thought Rea Road should extend. She stated that she did not want to be pressured to make a decision without being able to do her due diligence. She said that her preference would be to let the Woods developer go to MUMPO and say it will give the right of way, knowing that Union County will work with it, but it will work with the developer through the County's processes so that it sheds no light in a questionable way on what is done. She said that she could not support the motion at this time.

Chairman Simpson moved to amend the Sewer Allocation Policy to provide capacity in exchange for infrastructure aimed at increasing economic development.

Commissioner Kuehler asked for clarification. She stated that in the background information provided, it states that the Woods Development is asking for allocation in the Six-Mile Basin. She asked if the allocation needs to be specific as to where it will go.

Ed Goscicki, Public Works Director, responded that with the amended Sewer Allocation Policy, the Six-Mile and Twelve-Mile Basins have been integrated as one basin. He said that whether it is in the Six-Mile Basin or Twelve-Mile Basin would not change

the overall allocation. Commissioner Kuehler said that it would matter as to a pump station versus a gravity line as to which basin it will be in. Mr. Goscicki stated that the Woods Development would have to present an engineering solution as to how to serve this area. He said that the County's 1994 Master Plan showed a pump station serving in this area staying within the Twelve-Mile Creek Basin. He said that has changed over time, and the 2005 Master Plan did not show any specific details as to how that area would be served. He said they proposed a pump station going to the Six-Mile Creek Basin. He said that he thought it could go either way, and he thought it was some of the engineering that needs to be reviewed.

Commissioner Kuehler asked if the motion passes, is that motion by default also giving permission for the pump station if that is the route they choose. She clarified that her question is, does that need to be included in the motion because it is not known whether it is going to the Six-Mile Basin or Twelve-Mile Creek Basin. She said that it was her understanding that the Woods Development would need approval of a pump station as well.

Ligon Bundy, County Attorney, said that his response was somewhat impromptu, but his recommendation is that if the Board wants to move forward with this, that it offer a motion to direct the staff to draft a proposed amendment to the Sewer Allocation Policy to provide sewer allocation for future residential development for the Woods Development and other similarly situated residential developers. He said that under the amendment, as a condition to obtaining the sewer allocation, the owner must demonstrate to the County that it is willing and able to dedicate land and/or infrastructure to the public use that is reasonably likely to result in economic development, and that the amendment would need to obtain some objective criteria for the Board to determine that the economic development that is likely to result from the dedication is of such significant magnitude to justify the sewer allocation.

Commissioner Kuehler said that she still did not hear anything about the pump station.

Mr. Bundy said that the pump station would be included in the infrastructure. He explained the way he envisioned this happening is the staff would draft a proposed amendment to the policy and bring it to the Board for its consideration; and, if the Board decided to adopt the amendment, then there would be the second step which would be the Woods Development coming in and applying for the allocation under the amendment and demonstrating that it was in a position to offer the roadway and other infrastructure that would result in economic benefit to the County.

Commissioner Kuehler questioned if the motion is to amend the policy without any regard to any specific entities. She said she was not sure that was what the motion was. Mr. Bundy asked Commissioner Kuehler to repeat her question. Commissioner Kuehler asked for clarification of the motion.

Chairman Simpson said that he would yield to Mr. Bundy to craft the amendment as he had stated. Commissioner Kuehler asked if the motion is to amend the policy without any discussion regarding any specific project. Mr. Bundy responded that any amendment to the policy to allocate sewer treatment capacity, if it is to apply to the Woods Development, would also apply to any other similarly situated developer that could demonstrate ability and a desire to dedicate infrastructure that would result in economic development.

Commissioner Kuehler said that she did not think her questions had been answered, and that is why she would not be able to vote for this motion.

Commissioner Thomas said that legal opinion has been given on the project. He asked if Mr. Goscicki, as the Public Works Director, has any concerns regarding this project that have not been addressed tonight. Mr. Goscicki said from a Public Works' perspective if the Board approved allocation of capacity for this project, it would still have to go through the normal review and approval process. He said they would still have to submit engineering plans showing how they intend to move forward and would also have to meet all of the water and sewer line extension policy provisions previously established by the Board. He said from that regard, no, they do not have any concerns.

Commissioner Thomas also asked Mrs. Coto if she had any concerns other than what has been shared by legal or Mr. Goscicki. Mrs. Coto responded not outside what has been shared by the County Attorney and the Public Works Director.

Chairman Simpson requested that Mrs. West, Clerk to the Board, restate the motion for the Board. She read the motion as follows: to direct staff to draft a proposed amendment to the sewer allocation policy to provide sewer capacity to the Woods Development and any other similarly situated development which must be able to demonstrate a willingness to dedicate land and/or infrastructure that is reasonably likely to result in economic development for the County.

Commissioner Kuehler said that she almost hated to say anything because what she is hearing and what she understood the goal to be tonight are two different things. She said that it is talking about staff returning to the Board with a proposal which at that point in time would have to be passed by the Board, which means that tonight the Board is really not taking any action other than directing staff to draft an amendment to be brought to the Board. Mr. Bundy stated that he thought that was correct.

Mayor Pro Tem Barry said that they have to deliver to MUMPO at the March 16 meeting an intent by the property owner to donate the right of way and an expectation of some form, not formally, that says if all this is done, that sewer allocation will be available in western Union County for the Woods project. He said that he did not ignore Commissioner Kuehler's concerns, and all of the zoning and land use hearings will be held in Weddington regarding the project, and it has to be engineered by the Department of Transportation.

Commissioner Kuehler said that whether the motion passes or not, she wants to make sure the motion accomplishes what is requested. Mayor Pro Tem Barry said that \$2.5 million will be forfeited if this cannot be done. He stated that he spoke with Barry Moose of the North Carolina Department of Transportation today, and the estimate on the road increased, and he has put together the funding for the balance of that amount. He said that every opportunity needs to be taken to take advantage of the highway money in Union County.

Mr. Bundy asked if there is a legal question. Commissioner Kuehler said that Mayor Pro Tem Barry is not really looking for a direction to staff to bring back a proposal, but they are looking for the amendment allowing the wheels to begin turning.

At approximately 11:25 p.m., Jeff Crook, Senior Staff Attorney, requested a five-minute recess in the meeting, which the Chairman granted.

At approximately 11:35 p.m., Chairman Simpson reconvened the regular meeting and requested that Mrs. West restate the motion.

She read the following: To direct staff to draft a proposed amendment to the sewer allocation policy to provide capacity for the Woods Development and other similarly situated development that must demonstrate a willingness to dedicate land and/or infrastructure that is reasonably likely to result in economic development for the County and to bring the amendment to the Board for

consideration. The motion further included asking staff to draft and send a letter to the Town of Weddington and MUMPO expressing the County's support for allocating sewer capacity to projects of the type and with the benefit as represented by the Woods' proposal that facilitates Economic Development and contributes to the regional infrastructure.

Chairman Simpson stated that he made the motion.

The motion passed by a vote of three to two. Chairman Simpson, Vice Chairman Johnson, and Commissioner Thomas voted in favor of the motion. Commissioners Kuehler and Rogers voted against the motion.

Announcement of Vacancies on Boards and Committees:

Chairman Simpson announced vacancies on the following Boards and Committees:

- a. Adult Care Home Community Advisory Committee
- b. Agricultural Advisory Board [One (1) Vacancy for an unexpired term ending June 2011]
- c. Juvenile Crime Prevention Council [One (1) vacancy for each of the following: a Substance Abuse Professional and two (2) Vacancies for Persons under the Age of 18]
- d. Nursing Home Advisory Committee [Members cannot have a financial connection with or have an immediate family member in a nursing home]
- e. Parks and Recreation Advisory Committee [Vacancy for one member with a physical disability]
- f. Home and Community Care Block Grant Advisory Committee [three (3) vacancies for community representatives as of December 2010]
- g. Board of Health [two (2) vacancies, one representing each of the following categories: a Dentist and a Veterinarian]
- h. Planning Board [Five (5) vacancies which include one (1) regular member with an unexpired term ending April 20, 2011; one (1) term ending April 20, 2011; and two (2) unexpired terms ending April 20, 2012 and an alternate whose term expires April 20, 2011)]
- i. Board of Adjustment [Two (2) Vacancies for Regular Members and One (1) Vacancy for an Alternate Member]

Appointments to Boards and Committees:

a. Board of Equalization and Review (Two Vacancies) and Appointment of Chair for 2011

Commissioner Thomas moved to appoint Mark Ashcraft and Dutch Hardison and to designate Mr. Ashcraft to serve as Chairman of the Board of Equalization and Review for 2011.

The motion passed unanimously.

b. Board of Health (Vacancy for Pharmacist)

Commissioner Thomas moved to appoint Evelyn Blackley to serve as the Pharmacist Representative on the Health Board.

The motion passed unanimously.

c. Juvenile Crime Prevention Council (JCPC) (Two Appointments: One Member of the Business Community and One Member Representing United Way or Other Non-Profit)

Commissioner Thomas moved to reappoint Deborah Fahri, who currently serves on this Council representing the Business Community, and to reappoint Carroll Anthony, who currently serves on this Council representing a non-profit. The motion passed unanimously.

County Manager's Comments:

Cindy Coto, County Manager, had no comments.

Commissioners' Comments:

Commissioner Rogers said that she was going to share a Biblical passage that her pastor made about taxes, but she said that Chairman Simpson had begun this meeting discussing decorum, and she agreed with the Chairman. She read from Romans 13:7 which has to do with giving to everyone what is owed whether it is taxes, revenue, respect, or honor. She said that she hoped the Board could move forward as a Board with that in mind in a positive manner.

Commissioner Thomas expressed appreciation to Mr. and Mrs. Chuck Adams for the invitation for Vice Chairman Johnson and him to attend and learn more about young life at Southbrook Church in February. He said it was a great ministry and they are doing a wonderful job.

Commissioner Thomas expressed appreciation to the City of Monroe for its hospitality in the recent joint meeting. He said he looked forward to meeting with the other municipalities.

Vice Chairman Johnson expressed appreciation to Reverend Pigg for the invocation. He also expressed appreciation to Chuck Adams with Young Life at Southbrook Church. He complimented Kathy Bragg and the American Red Cross for the work that they do. He thanked staff for its hard work and diligence. He said that in 2010 Union County had 32 Eagle Scouts who were honored. He congratulated those 32 Eagle Scouts.

Chairman Simpson expressed appreciation to Mr. Bundy and Mr. Crook and to the staff tonight. He said he thought it was a good meeting tonight.

Mrs. Coto interjected reminders that on March 17, 2011, at 9:00 a.m., there will be another budget work session, and on March 22, 2013, at 5:00 p.m., there will be a joint meeting with the Town of Stallings. Commissioner Rogers requested that this information be sent to the Board in an email.

With there being no further comments or discussion, at approximately 11:50 p.m., Chairman Simpson moved to adjourn the regular meeting. The motion passed unanimously.