

Catawba County Board of Commissioners  
Regular Session, Monday, June 16, 2008, 7:00 p.m.

**Appointments**

Tax Collector	126	06/16/08
Deputy Tax Collector	126	06/16/08
Nursing and Rest Home Advisory Committee	126	06/16/08
Newton-Conover Auditorium Authority	126	06/16/08
Alcohol Beverage Control Board	126	06/16/08
Sister Cities Association Board	126	06/16/08
Salt Block Foundation	126	06/16/08
Voting Delegate/First Alternate for NACo Conference	126	06/16/08

**Beaver Management**

Beaver Management Assistance Program	127	06/16/08
--------------------------------------	-----	----------

**Board of Elections**

Federal Help America Vote Grant	127	06/16/08
Second Primary Funding	127	06/16/08

**Catawba County Schools**

Transfer of funds for Bandys and Bunker Hill High School Projects	129	06/16/08
---	-----	----------

**CDBG**

Scattered Site Housing Grant Amendment	127	06/16/08
--	-----	----------

**Closed Session**

Pursuant to 143-318.11(a)(3) – Attorney Client privilege	132	06/16/08
Pursuant to 143-318.11(a)(6) Personnel Matter	132	06/16/08

**Cooperative Extension**

Beaver Management Assistance Program	127	06/16/08
--------------------------------------	-----	----------

**Economic Development Corporation**

Sutter Street Manufacturing	129	06/16/08
-----------------------------	-----	----------

**Newton-Conover Schools**

Request for transfer of capital outlay funds for roofing project	133	06/16/08
--	-----	----------

**Ordinance**

Scattered Site Housing Grant Amendment	128	06/16/08
--	-----	----------

**Public Health**

Kids in Need Budget Transfer	126	06/16/08
------------------------------	-----	----------

**Utilities and Engineering**

Increase by City of Newton in Septage Hauling Fees	130	06/16/08
Award Construction Bids for SECC Wastewater Collection System	131	06/16/08
Update on Leland Terrace Waterline Request	132	06/16/08

The Catawba County Board of Commissioners met in regular session on Monday, June 16, 2008 at 7:00 p.m. in the 1924 Courthouse, Robert E. Hibbitts Meeting Room, 30 North College Avenue, Newton, North Carolina.

Present were Chair Katherine W. Barnes, Vice-Chair Lynn Lail and Commissioners Dan Hunsucker, Barbara G. Beatty and Glenn E. Barger.

Also present were County Manager J. Thomas Lundy, Assistant County Manager Lee Worsley, County Attorney Debra Bechtel, Deputy County Attorney Anne Marie Pease and County Clerk Barbara Morris.

1. Chair Katherine W. Barnes called the meeting to order at 7:04 p.m.
2. Chair Barnes led the Pledge of Allegiance to the Flag.
3. Commissioner Dan Hunsucker offered the invocation.
4. Commissioner Lynn M. Lail made a motion to approve the minutes of the Special Sessions of Wednesday, May 28, 2008 (Budget Hearings with Departments) and Thursday, May 29, 2008 (Budget Public Hearing and Wrap-Up) and the Regular Session of Monday, June 2, 2008. The motion carried unanimously.
5. Recognition of Special Guests: Chair Barnes welcomed everyone present and specifically Reggie Hamilton from the Hickory School Board, Superintendent Dr. Markley and representatives from the Farm Bureau.
6. Comments for Items not on the Agenda.  
Chair Barnes opened the floor for citizens wishing to speak on items that were not on the agenda. Mr. David Wilson addressed the Board about his concerns regarding property owned by his mother, Ms. Beulah Wilson, the Catawba County Board of Adjustment's decision regarding a change of non-conforming use for the property, and that Board's decision on the extension of non-conforming use for an adjacent property. Mr. Lundy summarized the investigation that had been conducted by the staff regarding Mr. Wilson's concerns and Mr. Wilson was advised there was nothing further the County could do.
7. Appointments.  
County Manager J. Thomas Lundy recommended the Board reappoint Ona Scruggs for a first term as County Tax Collector and Jeanne Jarrett for a fourth term as Deputy Tax Collector, with terms expiring June 30, 2010. Vice-Chair Lynn Lail recommended the reappointment of Tami Hefner to a fifth term on the Nursing and Rest Home Community Advisory Committee with a term expiration of July 6, 2011. Commissioner Dan Hunsucker recommended the reappointment of Ann Gaither for a first term on the Newton-Conover Auditorium Authority Board of Directors with a term expiration of June 30, 2011. Chair Barnes made the following recommendations for appointments/reappointments: Ann Davis for an unexpired term and Rocky Towery for a first term on the Alcohol Beverage Control Board. Ms. Davis will replace Barbara Beatty who resigned from the ABC Board and the unexpired term will expire October 5, 2010 and Mr. Towery will replace Robert Hymer whose term had expired. Mr. Towery's term will expire April 6, 2011; the reappointment of Victoria Weathers for a second term and the appointment of Rebecca Wright for a first term on the Sister Cities Association Board. Ms. Weathers' term will expire June 30, 2009 and Ms. Wright's term will expire June 30, 2010; the reappointment of Helen DeCuzzi (formerly Sides) for a third term to the Salt Block Foundation Board, expiring June 30, 2010 and the appointment of Chair Barnes as voting delegate at the upcoming NACo Conference, with Commissioner Barbara Beatty as First Alternate. All these recommendations came in the form of a motion and the motion carried unanimously.
8. Consent Agenda:  
County Manager Lundy presented the following items for Board consideration under the Consent Agenda. All but the last of these items had been reviewed by Subcommittees and recommended for Board approval:
  - a. The Board was requested to approve a budget transfer in the amount of \$20,000, from Kids in Need (KIN) restricted funds received in prior years, to the current fiscal year's program fund to help meet the medical, dental, vision, education and other needs of low-income children. Eligibility guidelines for this program require that the child be a resident of North Carolina; be enrolled in school in grades K-12; receive free or reduced lunch at school; and is not covered by health insurance, Medicaid or N.C. Health Choice. The KIN program receives private donations, small grants, and funds from teacher assistants and several fundraisers each year, but current fiscal year

funds have been expended and the program needs approximately \$12,000 above the revenues received for this year. There is currently \$61,893 in restricted funds, which are held until needed by the program. Appropriations are as follows:

Supplemental Appropriations

580300-680674	Kids in Need	\$20,000
580300-849194	Kids in Need	\$20,000

b. The Board was requested to accept and appropriate a Federal Help America Vote Act grant in the amount of \$10,000 from the North Carolina Board of Elections. The grant enabled the Catawba County Board of Elections to open a fourth one-stop voting site, at the Southwest Branch Library in Mountain View, during the May 2008 primary election. Due to heavy voter turnout expected during the May 2008 primary, the N.C. Board of Elections made available one-stop site operations grants for all 100 North Carolina counties. Funds to operate a one-stop voting site at the Southwest Library for 11 days, during which 869 voters cast ballots, were spent from the Board of Elections budget and must be replaced through this appropriation.

**SUPPLEMENTAL APPROPRIATION:**

Revenue:

110-140050-620160	HAVA Grant	\$10,000
-------------------	------------	----------

Appropriation:

110-140050-812600	Temporary Wages	\$ 7,000
110-140050-849090	Miscellaneous	\$ 3,000

c. The Board was requested to appropriate \$53,300 to the Board of Elections to fund a second primary required by the N.C. Board of Elections for the Office of Commissioner of Labor. Due to the fact that no Democratic candidate running for the Office of Commissioner of Labor received 40% of the statewide vote, the second place candidate had the legal right to call for a second primary, which the N.C. Board of Elections has required all counties to conduct on June 24, 2008. By law, Catawba County must open all 40 precincts and a one-stop voting site. Funding for the second primary will pay for one-stop voting site operations at the Newton Main Library; the operation of 40 precincts; office and dock workers; ballots; precinct rent; phones; registration books; equipment delivery; Board of Election expenses; and miscellaneous items.

Supplemental Appropriation

Revenue

110-140050-690100	Fund Balance Appropriated	\$53,300
-------------------	---------------------------	----------

Appropriation:

110-140050-812600	Temporary Wages	\$29,400
110-140050-858100	Per Diem (Board Members)	\$ 1,300
110-140050-841030	Printing/Binding	\$ 7,900
110-140050-843520	Rent of Building	\$ 2,000
110-140050-841505	Telephone Service	\$ 4,000
110-140050-843590	Other Rentals	\$ 8,000
110-140050-849090	Miscellaneous	\$ 700

d. The Board was requested to appropriate \$4000 from the General Fund to enroll in the North Carolina Wildlife Resources Commission's Beaver Management Assistance Program. The Catawba County Farm Bureau voted on March 24, 2008 to request that the County enroll in this program. In its letter of request to the Board, the Farm Bureau noted existing problems with beavers on Lyle and Cline Creeks. Richard Grant, District Conservationist for the Natural Resources Conservation Service, has also written to express his concern over the growing beaver problem in Catawba County. He noted that beavers built two ponds and flooded approximately 80 acres of bottomland timber on land adjacent to Lyle Creek that he leases for hunting, and numerous reports of beavers and active dam building in the eastern half of the county. The estimated cost for trapping beavers, with assistance from the US Department of Agriculture Wildlife Services, is \$975. With the County enrolled in the Beaver Management Assistance Program, the cost to a citizen will be \$20 per visit by an agent and \$125 per dam removal. In addition to assistance in the removal of the beavers and their dams, the agents offer education for land owners in handling beaver problems in the future.

Appropriations

Expense

110-420050-868192	NC Wildlife Commission
-------------------	------------------------

Revenue

110-190050-690100	General Fund Fund Balance
-------------------	---------------------------

e. The Board was requested to approve an amendment to the County's Community Development Block Grant (CDBG) Scattered Site Housing Grant Program to reflect income in the amount of \$11,479 resulting from the sale of a rehabilitated home. Catawba County was awarded a \$400,000 Scattered Site Housing Grant in 2006 to rehabilitate seven homes and clear and relocate one new home in the county. On October 24, 2006, the project budget ordinance was amended to increase the C-1 rehabilitation line item by adding program income of \$11,479 to the already existing rehabilitation line item of \$230,500 per the NC Division of Community Assistance. The County received these funds after a homeowner, who had been assisted with a rehabilitation job completed within the 2003 Scattered Site Housing Project, passed away. The family sold the property and this was the balance due back to the County at that time. Grant administrators with the Western Piedmont Council of Governments were advised by the State that this income should be returned to the program's general fund account since it was not generated program income from the current 2006 project. Program income of \$25,000 or less may be put into the County's general fund account and held until the current 2006 Housing Project is closed out. If the County has not had to use this program income for its current project when the project is closed out, the County may use it in another area not related to CDBG. The following ordinance applies:

**AMENDMENT#3  
ORDINANCE#\_\_\_\_\_**

**CATAWBA COUNTY'S PROJECT BUDGET ORDINANCE  
FOR THE 2006 CDBG SCATTERED SITE HOUSING PROGRAM  
(CATAWBA COUNTY SCATTERED SITE HOUSING GRANT)**

Be it ordained by the County Commissioners of Catawba County that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted.

The following revenues are anticipated to be available to complete the C-1 project:

<u>Revenues</u>	
Community Development Block Grant	\$ 360,000.00
	\$ 360,000.00

The following expenditure amounts are appropriated for the C-1 project:

<u>Expenditures</u>	
Rehabilitation (CDBG)	\$ 230,500.00
Relocation(CDBG)	\$ 81,325.00
Clearance (CDBG)	\$ 4,675.00
Planning (CDBG)	\$ 3,500.00
Administration (CDBG)	\$ 40,000.00
	\$ 360,000.00

The following revenues are anticipated to be available to complete the L-1 project:

<u>Revenues</u>	
Community Development Block Grant	\$ 40,000

The following expenditure amounts are appropriated for the L-1 project:

<u>Expenditures</u>	
Rehabilitation (CDBG)	\$ 40,000

Adopted this the 16th day of June, 2008.

Chair Barnes asked if any Board member wished to have an item broken out of the consent agenda and none were requested. Commissioner Hunsucker made a motion to approve the consent agenda. The motion carried unanimously.

9. Departmental Reports.

A. Catawba County Schools.

Dr. Tim Markley, Superintendent of Catawba County School came forward and presented a request for the Board to approve a transfer of funds from several completed projects, use fiscal year 2006-07 lottery proceeds, and advance funds from one future project to pay for expansion projects at Bandys and Bunker Hill High Schools. In fiscal year 2007-08, the Board set aside two cents of the property tax rate to be used for financing school construction over a four-year period. Projects included in the first year funding cycle were a new Snow Creek Elementary School, improvements and additions to Bunker Hill High School, and improvements and additions to Bandys High School. Bids were received in March for the Snow Creek Elementary project in the amount of \$12,028,000, which is \$685,000 less than expected.

The Bandys High School project consists of constructing a new cafeteria and the addition of twelve classrooms. Bids received in April totaled \$5,878,474, which is \$678,474 over budget. To account for the difference, Catawba County Schools is requesting a transfer of \$478,412 in funding from the Snow Creek Elementary project, and from completed Catawba Elementary (\$140,000) and Bunker Hill classroom addition projects (\$60,062) from 2007. The Bunker Hill High School project consists of constructing a new cafeteria, converting the existing cafeteria to three classrooms, and various athletic improvements. Final construction bids received in May totaled \$7,956,000, approximately \$3.2 million over budget. To address this overage, Catawba County Schools is requesting to use 2006-07 lottery funds in the amount of \$1,039,116, transfer \$205,884 remaining from the Snow Creek Elementary project; and utilize \$2,011,000 in funds from a Webb Murray Elementary project, previously planned for fiscal year 2008-09. The Webb Murray project would be delayed until fiscal year 2011-12. Commissioner Barger made a motion to approve this request. The motion carried unanimously. The following appropriations apply:

Supplemental Appropriation:

423-740100-863200-31103-2-02	Bandys High	\$678,474
423-740100-863200-31128-2-01	Snow Creek Elementary	(\$478,412)
423-740100-863200-31126-2-01	Catawba Elementary	(\$140,000)
423-740050-695420	Transfer from Schools' Capital	\$60,062
420-750100-863200-31106-3-04	Bunker Hill Classroom Addition	(\$60,062)
420-750050-995423-30050-9-02	Transfer to Schools Construction	\$60,062
423-740100-863200-31106-2-02	Bunker Hill High	\$3,256,000
423-740100-863200-31128-2-01	Snow Creek Elementary	(\$205,884)
423-740050-630501	School Bldg. Capital - Lottery	\$1,039,116
423-740050-690100	Fund Balance Appropriated	\$2,011,000

B. Economic Development Corporation.

Scott Millar, President of the Economic Development Corporation presented a request for the Board to approve a Joint Economic Development Agreement between Catawba County and Sutter Street Manufacturing, Inc. and authorize the Chair to execute all related documents. Williams-Sonoma, Inc. (WSI), doing business as Sutter Street Manufacturing, Inc., is considering a site in Fairgrove Business Park, Hickory, for one and possibly two facilities to include manufacturing, a third party logistics operation, a distribution center, and an engineering, technical, and quality control facility to support its brands. WSI is committing to create 820 permanent, full-time jobs by 2011, with an average annual salary of \$42,130. The first phase of this project will occur in a leased facility in the

City of Hickory. County incentives will be awarded only if the second phase of the project occurs, with WSI constructing a facility with a minimum investment of \$12.5 million. WSI has the option of constructing a third phase with a minimum \$10 million investment, before additional County's incentives would be awarded.

Williams-Sonoma, a retailer with annual revenues in excess of \$4 billion in 600 retail stores and direct-to-consumer marketing, employs 38,800 persons throughout North America, Williams-Sonoma markets through recognizable brands such as Pottery Barn, Williams-Sonoma Home, PBteen, Pottery Barn Kids, and West Elm, and markets products for the kitchen, bath, bedroom, and living room. Its revenues have doubled in the last six years.

The Catawba County Economic Development Corporation (EDC) has given significant consideration to the recommendation of incentives for this project, in view of a number of pros and cons, including local competitiveness and fairness issues with existing industries; workforce issues with those having difficulty locating and hiring qualified workers and concerns over the perception of furniture-making; a contractual agreement with the State of North Carolina to grow and retain a large number of employees at a high wage at a time of significant local and regional job losses in the furniture industry and others; and a comparatively low local incentive request that would only pay upon a minimum \$12.5 million investment in a new facility in Hickory's Fairgrove Business Park.

The area's job losses in furniture in 2008 are already significant (1083 jobs) and will occur lump-sum, whereas most new job creation will occur over time. Sutter Street is planning to hire 116 employees in 2008, 147 in 2009, 152 in 2010, and 405 in 2011. In its request to the Board, the EDC indicates an argument can be made that the difficulty of hiring qualified furniture workers is the perception that jobs will not exist in domestic furniture production. The commitment of a very well-known, growing, "next-generation" retailer and brand stimulates those that are considering remaining in furniture.

The State of North Carolina has committed to a Job Development Investment Grant of up to \$8,956,450 to WSI, upon its creating and maintaining 820 jobs, with an average annual wage of \$40,000 plus, for ten years. Catawba County's potential first award of \$217,345 will occur only if WSI constructs a new facility, and invests and maintains a minimum of \$12.5 million in building and equipment. It will be spread over five years and paid only after the company has paid its real and personal property taxes each year. A second award, of no more than an additional \$173,875, will occur only if WSI constructs a second facility with a value of at least \$10 million and will be spread over five years and paid only after the company has paid its real and personal property taxes each year. The City of Hickory is considering an incentive of free land in Fairgrove Business Park, a 75% grant for equipment, and 65% for building construction for five years. Commissioner Hunsucker made a motion to approve this grant agreement and authorize Chair Barnes to execute all necessary documents. The motion carried unanimously.

#### C. Utilities and Engineering.

1. Barry Edwards, Utilities and Engineering Director, presented a request to incorporate a fee increase by the City of Newton for septage hauling into the County's fee structure. On April 14, 2008, the County received a request from the City of Newton to increase its portion of the fees effective July 1, 2008, to meet rising costs of operations and waste treatment. The City of Hickory's portion of the fees will remain unchanged in fiscal year 2008-09. There are three septage disposal sites in Catawba County: the Regional Sludge Management Facility, the old Brookford Wastewater Treatment Plant operated by the City of Hickory, and the City of Newton's Wastewater Treatment Plant. Each of the treatment plants has an expense for treating waste and hauling the residuals to the Sludge Management Facility. When a sludge hauler deposits a load at any of these locations, a ticket is left with information about the hauler and origin of the load. These tickets are forwarded to the County so the hauler can be invoiced for processing of the load and residuals processed at the Regional Sludge Management Facility. This process was developed at the formation of a Regional Sludge Consortium, which included the City of Hickory, City of Conover, City Of Newton, and Catawba County. The City of Newton withdrew from the Consortium in 2001 and currently land applies residuals from its wastewater treatment, but may use the Regional Sludge Management Facility on a per load basis.

Septage/sludge fees have remained stable since 2002. The current rate is \$0.0367 per gallon. Fees charged to sludge haulers recover the costs of waste treatment for the cities, residual processing at the Regional Sludge Management Facility, and administrative and financial, personnel and related expenses for Catawba County. The County portion of the fee, being calculated at \$0.015, will increase for some haulers and decrease for others based on the size of the load, with a \$12 minimum. The County's fee for the average size load will decrease. County Manager Lundy summarized that in essence Newton was going up on their rate, the County was coming down on the County's – so only if one uses the Newton facility would costs go up and if the Hickory facility was used, costs would actually go down. Vice-Chair Lail made a motion to incorporate a fee increase by City of Newton into the County's fee structure. The motion carried unanimously.

2. Barry Edwards, Utilities and Engineering Director, presented a request for the Board to award bids for construction of the Southeastern Catawba County Wastewater Collection System (Northern Section), approve an amendment to the Engineering Agreement for Construction Administration with Hayes, Seay, Mattern and Mattern, Inc. in the amount of \$100,000, and appropriate funds in the amount of \$5,566,415, which includes a 5% contingency required by the Local Government Commission.

On April 16, 2007, the Board approved a development agreement with Crescent Resources which includes four areas that will be developed: Key Harbor, Mountain Creek, Terrapin Creek and the Village Center. In order to accommodate a village center with a mixture of commercial, office and multi-family uses, public water and sewer is necessary. Public water is currently available. At the same April 16, 2007 meeting, the Board awarded a contract for the design of the Southeastern Catawba County Wastewater Collection System to Hayes, Seay, Mattern, and Mattern, Inc. and McGill Associates, PA. The SECC Wastewater Collection System is being developed in two sections; northern and southern. The northern section is the backbone of the overall SECC Wastewater Collection System.

Hayes, Seay, Mattern and Mattern, Inc. was awarded a contract, in the amount of \$850,000, for the design of the northern section which consists of sewer lines and sewer pump stations from Sherrills Ford Elementary School north to the existing City of Hickory-Catawba Wastewater Treatment Plant located in the Town of Catawba. A pump station will be located at Sherrills Ford Elementary School which will allow the school to have wastewater service.

On April 17, 2008, Catawba County received bids for the construction of the northern section, not including a utility bridge, which will be bid at a later date. The northern section was advertised in six divisions. A contractor could bid on one or multiple divisions, as follows: Division I consists of the construction of a pump station at Sherrills Ford Elementary School; Division II consists of the construction of the Terrapin Creek Pump Station on Molly's Backbone Road; Division III consists of the construction of the Balls Creek Pump Station to be located on Browns Chapel Road; Division IV consists of the construction of 14,423 linear feet of 14 inch sewer force main piping between the Sherrills Ford Elementary School Pump Station and the Terrapin Creek Pump Station, along Sherrills Ford Road, Molly's Backbone Road, and Monbo Road; Division V consists of the construction of 19,143 linear feet of 16 inch sewer force main piping between the Terrapin Creek Pump Station and Balls Creek Pump Station along Monbo Road, Long Island Road and Brown Chapel Road; and Division VI consists of the construction of 28,551 linear feet of 16 inch sewer force main piping between the Balls Creek Pump Station and the Hickory-Catawba Wastewater Treatment Plant.

Hayes, Seay, Mattern, and Mattern, Inc. reviewed bids received on April 17 from the following contractors: Fuller Contracting Company of Mocksville, NC; Gilbert Engineering Company of Statesville, NC; Hall Contracting Corporation of Charlotte, NC; Hickory Sand Company, Inc. of Hickory, NC; James E. Harris Construction Company, Inc. of Huntersville, NC; Mendon Pipeline, Inc. of Ghent, West Virginia; Neill Grading Construction Company, Inc. of Hickory, NC; Reynolds, Inc. of Orleans, Indiana; Ronnie Turner Construction Company of Hickory, NC; and State Utility Contractors, Inc. of Monroe, NC.

Based on its review of bids and qualifications of the contractors, Hayes, Seay, Mattern, and Mattern recommended the six divisions of work be awarded as follows: Division I be awarded to Fuller Contracting Company in the amount of \$935,000; Division II and III be awarded to James E. Harris Construction Company, in the amount of \$709,030 and \$762,745, respectively; and Division IV, V, and IV be awarded to Ronnie Turner Construction Company in the amount of \$608,503.35, \$780,560.25, and \$1,410,267.95, respectively.

The cost of construction of the northern section, as bid above, totals \$5,206,106.55. The Local Government Commission (LGC) requires a 5% contingency be included, which brings the total amount for construction to \$5,466,415. A utility bridge required at a railroad crossing on Hudson Chapel Road, to be bid at a later date, is estimated to cost \$385,000 including a LGC-required 10% contingency on unbid cost estimates, bringing the total estimated cost of construction to \$5,851,415. The Board approved an amendment to the agreement for Engineering Services between Catawba County and Hayes, Seay, Mattern, and Mattern, Inc. is in the amount of \$100,000. The amendment accounts for construction inspection and observation, and final certification of the SECC Wastewater Collection System which includes field observation and quality of work; review and approval of shop drawings, diagrams, specifications, schedules and samples guarantees; bonds and certificates; review and approval of applications for payment; and final record drawings and quality assurance documents.

Funding for this project was acquired through a financing agreement approved by the Board on April 7, 2008. The project debt service will be repaid from fees and revenues generated from the development agreement with Key Harbor Holdings, LLC and Crescent Resources.

Commissioner Hunsucker made a motion to award bids for construction of the Southeastern Catawba County Wastewater Collection System (Northern Section) as indicated above, approve an amendment to the Engineering Agreement for Construction Administration with Hayes, Seay, Mattern and Mattern, Inc. in the amount of \$100,000, and appropriate funds in the amount of \$5,566,415, which includes a 5% contingency required by the Local Government Commission. County Manager Lundy clarified a small amount was yet to be appropriated for some bridge work that still needs to be awarded.

3. County Manager Lundy asked Barry Edwards, Utilities and Engineering Director, to update the Board on a request from Leland Terrace residents for county water lines. Mr. Lundy indicated that money was in the budget to do the project (water) next year and staff intended to meet with the residents to explain the schedule for this work. Mr. Edwards explained the original request for lines was made in 2002 but funding was not available at that time. He estimates the cost of this project will be approximately \$215,000 and the ¼ sales tax will make this possible to complete this next year.

10. Other items of Business.

11. Attorneys' Report:  
Debra Bechtel, County Attorney, requested the Board move into closed session pursuant to General Statute 143-318.11(a)(3) to consult with an attorney employed or retained by a public body in order to preserve the attorney-client privilege between the attorney and the public body. She did not anticipate any action taken after this closed session.

12. Manager's Report.  
County Manager J. Thomas Lundy added that in addition to the reason set forth by the County Attorney above, he would like to address the Board in Closed Session regarding a personnel issue (GS 143-318.11(a)(6).) He did not anticipate any action after the closed session.

Mr. Lundy then asked the Board to consider a request presented from Newton-Conover City Schools to transfer \$77,728 in capital outlay funds from a roofing replacement project to the Newton Conover High School science building project. The County's fiscal year 2007/08 budget includes \$2,863,000 for a new science building for Newton Conover High School. Bids have been opened on

this project and the lowest bid exceeds the budget by \$226,895. Newton-Conover City Schools was able to make several cuts in the project, but still needs \$77,728. In order to award the bid, Newton-Conover City Schools requested commitment to transfer \$77,728 designated in the County's fiscal year 2008/09 approved budget for the replacement of the roof at Newton-Conover to the Newton Conover High School science building project.

Commissioner Hunsucker made a motion to approve these transfers. The motion carried unanimously.

Transfer Appropriations:

From: 420-750100-864200-33110-3-02 NC Roof Replacements \$77,728

To: 420-750100-995423 Transfer to Schools Constr. \$77,728

Supplemental Appropriation

Revenue: 423-740050-695420 Transfer from Schools Cap. \$77,728

Expense: 423-740100-864200-33102-3-01 NCHS General Renovations \$77,728

13. Commissioner Barbara Beatty made a motion to go into closed session at 8:10 p.m. The motion carried unanimously.
14. The Board returned to open session. No further action was taken. Commissioner Barger made a motion to adjourn at 8:34 p.m.

---

Katherine W. Barnes, Chair  
Board of Commissioners

---

Barbara E. Morris, County Clerk