

Minutes
 Catawba County Board of Commissioners
 Regular Session, Tuesday, June 26, 2007 7:00 p.m.

Appointments

| | | |
|---|-----|----------|
| Catawba County Council for the Arts | 647 | 06/26/07 |
| Juvenile Crime Prevention Council | 647 | 06/26/07 |
| Delegate for National Association of Counties | 647 | 06/26/07 |
| Library Board of Trustees | 647 | 06/26/07 |
| Nursing and Rest Home Advisory Board | 647 | 06/26/07 |
| NC Auditorium Authority | 647 | 06/26/07 |
| Tax Assessor | 647 | 06/26/07 |

Budget

| | | |
|----------------------------------|-----|----------|
| Newton-Conover Schools | 645 | 06/26/07 |
| Budget Adoption/Budget Ordinance | 647 | 06/26/07 |

Easements

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| Granting for entrance to Catawba Valley Medical Center | 648 | 06/26/07 |
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Newton-Conover Schools

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| Budget Request | 645 | 06/26/07 |
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Ordinance

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| Budget Ordinance | 647 | 06/26/07 |
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Planning

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| Rezoning request for 5.21 acres | 643 | 06/26/07 |
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Public Hearing

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| Rezoning Request – 5.21 acres | 643 | 06/26/07 |
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Purchasing

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| Bid Award - Aggregate |
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The Catawba County Board of Commissioners met in regular session on Tuesday, June 26, 2007 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 Barbara G. Beatty and Commissioners Dan Hunsucker Glenn E. Barger and Lynn M. Lail.

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

1. Chair Katherine W. Barnes called the meeting to order at 7:00 p.m.
2. Chair Barnes led the Pledge of Allegiance to the Flag.
3. Commissioner Dan Hunsucker offered the invocation.
4. Commissioner Glenn E. Barger made a motion to approve the minutes of the Special Session (Budget Hearings with Departments) of Wednesday, May 30, 2007, the closed Session Minutes of Wednesday, May 30, 2007, the Budget Public Hearing of Thursday, May 31, 2007, the Regular Meeting of Monday, June 4, 2007 and the Special Session (Retreat) of Monday, June 11, 2007. The motion carried unanimously.

5. Recognition of Special Guests: Chair Barnes welcomed everyone present and asked for all the elected officials and school board members to stand so they could be recognized.

Chair Barnes then said she was going to change the order of the agenda and conduct the public hearing on a proposed rezoning and then move to other items of business and the budget adoption and then would resume the order of the agenda.

6. Public Hearing:

Jacky Eubanks, Planning Director, came forward and presented a request by Marvin Ferguson for Agustin Duran to rezone a 5.21 acre parcel from R-40 Residential to HC Highway Commercial. The property is located at 5819 South NC Hwy 16 in the Sherrills Ford Small Area Planning District, Mountain Creek Township, and further identified as Parcel Identification Number 3686-11-56-2946.

The subject parcel is currently occupied by a single-family residence. The property to the north is zoned R-40 Residential and is currently occupied by a single-family residence. The properties to the south are zoned R-40 Residential and are either currently occupied by a single-family residence, contractor's offices or are vacant/wooded. The properties to the east across NC Hwy 16 are zoned R-40 Residential and are either currently occupied by single-family residences or are vacant/wooded. The properties to the west are zoned R-40 Residential and are currently occupied by single-family residences.

The Catawba County UDO section 44-418, HC Highway Commercial District states, "... this district provides areas for regional highway-oriented business, office, services and civic uses. The district regulations are designed to protect and encourage the transitional character of the districts by permitting uses and building forms that are compatible with the surrounding area". Generally the R-40 Residential District is considered a low-density residential and agricultural district. Permitted uses in the R-40 Residential District consist of predominately of site-built homes and agricultural uses.

The property proposed for rezoning is 5.21 acres in size. The current R-40 Residential District would permit for a maximum of one (1) dwelling unit per acre, which would theoretically calculate into five (5) dwelling units.

Development of the subject property under the HC Highway Commercial standards would permit the property to be developed at a maximum floor area ratio of 1:3, which would calculate into 1.71 acres (74,892 sq. ft.) of total floor area. (Note: rounding was used.) The HC Highway Commercial district permits a wide variety of retail and service land-uses.

The subject property is also located within the Rural Preservation Overlay (RP-O) District, which requires greater setbacks than typically required under general use zoning districts. Public water is available and located along NC Hwy 16, but public sewer is not available. South NC Hwy 16 is designated as a major thoroughfare by the Catawba County Transportation Plan. Major thoroughfares are defined as primary traffic arteries of the urban area. Their purpose is to move traffic from city to city and within urban areas; therefore, strip development and multiple driveway access is to be discouraged. At this particular location NC Hwy 16 is a 2-lane roadway. 2005 traffic counts were taken to the north of the property near the intersection of NC Hwy 16 and Bucks Garage Rd. This count measured 7,800 average daily trips (ADT). A second count was taken in 2005 south of the intersection of NC Hwy 16 and NC Hwy 150. The second count measured 13,000 average daily trips (ADT). The Greater Hickory Urban Area Transportation Plan, in addition to the Catawba County Transportation Plan, recommends the widening of South NC Hwy 16 to a multi-lane roadway from the Newton-Conover Loop to Lincoln County. However, this particular section is not included in the widening plans, as the new alignment has the widening of NC Hwy 16 crossing NC Hwy 150 to the southwest of the current intersection.

The Sherrills Ford Small Area Plan, adopted on February 17, 2003, serves as the current land use plan for this area. The plan designates the majority of the property as a low-density residential area (1 unit per 2 acres); however, a small portion of the property which directly abuts NC Hwy 16 is designated as Regional Commercial / Mixed-Use.

The business use of the majority of the subject property would generally be viewed as being inconsistent with the recommendations of the Sherrills Ford Small Area Plan. However, the small portion of the property along NC Hwy 16 designated as Regional Commercial / Mixed-Use would be considered consistent with the recommendations of the Sherrills Ford Small Area Plan.

While a small portion of the property is designated as Regional Commercial / Mixed-Use, the majority of the property under consideration for rezoning is designated a residential; and as such staff did not consider the request to be consistent with the Sherrills Ford Small Area Plan. Staff does not recommend the rezoning of the property from R-40 Residential to HC Highway based upon:

- The Sherrills Ford Small Area Plan recognizing the majority of the property is designated low-density residential and the UDO depicts the southern HWY 16 corridor as part of the Rural Preservation-Overlay (RP-O)
- The consideration of spot zoning
- The Sherrills Ford Small Area Plan designates major intersections on HWY 16 as the most appropriate location for non-residential.

The Planning Board conducted a public hearing on May 22, 2007. Three, including the applicant, spoke in favor of the rezoning request. No one spoke in opposition of the requested rezoning. The Planning Board voted four to one (4-1) not to recommend the rezoning of the property from R-40 Residential to HC Highway based upon the same three reasons listed above.

Chair Barnes asked what the Planning Board vote was and Mr. Eubank responded that it had been a 4 to 1 vote against the rezoning. She then opened the public hearing and Chris Mitchell, a business partner of Marvin Ferguson came forward to speak in favor of the rezoning. He stated they had invested a lot in this property and had been told there would not be a problem with the rezoning. He stated the home on the property would require at least \$22,000 in repairs to make it livable.

No one further came forward to speak and Chair Barnes closed the public hearing. In a discussion that followed, the Commissioners agreed with the reasons set out above by the Planning Board to not approve the rezoning. Commissioner Lynn Lail made the motion to deny the rezoning based the inconsistency to the the Sherrills Ford Small Area Plan recognizing the majority of the property is designated low-density residential and the UDO depicts the southern HWY 16 corridor as part of the Rural Preservation-Overlay (RP-O), the consideration of spot zoning and the Sherrills Ford Small Area Plan designates major intersections on HWY 16 as the most appropriate location for non-residential. The motion carried unanimously.

7. Other items of Business.

Dr. Barry Redmond, Superintendent of Newton-Conover Schools and Randy Isenhower, Chairman of the Newton-Conover School Board came forward to present a budget request. Dr. Redmond praised the Board's support of education in the County. He stated he had provided facts and figures to the Board in a recent letter which demonstrated the need and rationale for Newton-Conover's request for a new middle school. He asked the Board for the opportunity to provide Newton-Conover's students the experience of having attended a new school at some point in their educational career. He said this would be accomplished by building a new middle school and converting the current middle school to an elementary school. The current Thornton Elementary School would then be converted to a new Health and Science High School. He pointed out they had not had a new building since 1976 but did acknowledge there had been new classroom additions and renovations at all Newton-Conover schools. He asked that all the recommended projects be fully funded and a new school be included in the next four year construction cycle. Randy Isenhower then added that in the plan that had been compiled by the three superintendents and CVCC, the Newton-Conover Middle School was one of the highest priorities. He reiterated that he felt the entire plan for all three systems should be fully funded in the next four year cycle.

Chair Barnes then responded. She said the facts on the Newton-Conover website were not as accurate as they should be based on the facts and figures maintained by the County. The Commissioners questioned why a middle school was being requested instead of an elementary school knowing that Thornton was over capacity. The response was they had 4 elementary school that would feed the middle school which would be built at a higher capacity and the middle school (which has more capacity than Thornton) would be converted to an elementary – ultimately increasing both their middle and elementary school capacity. Chair Barnes then presented a power point which outline how school construction had been financed in Catawba County and the distribution of how those funds were divided among the three systems. She pointed out the failed school bond referendum resulted in a loss of approximately three years in the County's building cycle. Commissioner Barger explained a slide which showed the school construction and renovations/additions for all three systems. He noted that the feasibility and cost of converting the middle school to an elementary school needed to be carefully reviewed. He pointed out that for 7 out of the last 8 years Newton-Conover's per pupil annual capital funding had exceeded at least one other school system even though they have the smallest population. He went on to note that Newton-Conover's growth at 5%

had resulted in only a 161 student increase over the last 8 years. In the current proposed budget, Newton-Conover would be receiving 16.6% of the total annual capital funding (not debt financing). Chair Barnes went on to say that the Board was trying to deal with the pressure points in the county and Newton-Conover had the smallest number of schools over capacity (Newton-Conover with 1, Hickory with 4 and Catawba County with 10). She responded to the claim that Newton-Conover had not received funds for asbestos removal and noted that they had received funds for asbestos removal in the annual capital for each of the last four or five years and the request for funds for this purpose in the proposed current budget was recommended at \$25,000. Chair Barnes summed up the Board's analysis of their proposed funding for Newton-Conover schools: they had 12% of the student population, had 8% of the growth over the last 8 years, had received 12% of annual capita funding; annual capital funding per pupil had exceeded at least one other school system for 7 of the last 8 years; did not receive any debt financing the last four years because classroom capacity existed; will have 12% of the student growth in the next 4 years (120 students) and will receive 12% of debt funding in the next four years.

Chair Barnes posed the question that if Newton-Conover received \$2.75 million of the proposed debt funding for unidentified needs that those funds would be used toward the middle school. The response was that it would be used for that purpose. She said that would allow bids to let in January of 2010. She said what the Board was looking at in total debt financing through 2010-11 would be Catawba County receiving 74% at \$34.21 million, Hickory at \$6.69 million and Newton-Conover at \$5.61 million.

Chair Barnes stressed that everyone had worked hard to determine these figures – she noted nobody got everything and nobody got what the Board would like to see done but it was not comfortable with a 9 cent tax increase.

Commissioner Lail stated she would not be comfortable with the proposal without some confirmation of the costs of converting the current middle school to an elementary school, especially after what had occurred in Hickory with the plan to convert College Park and it did not work out. She said she would like an approximate figure for that conversion. She also said she thought the \$21 million dollar figure stated for the proposed middle school seemed high considering the middle schools that had been recently built in the County were far less than that. Dr. Redmond stated the capacity of the proposed middle school was much higher than those schools. Alan Kirby, construction manager, came forward to say the figure was determined using a plan used in Hickory and increased building costs figured into the higher cost. Vice-Chair Beatty asked if the County middle school plans had been considered and they had not. Mr. Kirby assured the Board that he believed that the current middle school could be converted to an elementary school and would meet the required standards.

Chair Barnes summed up the changes the Board would include in the Budget adoption based on Newton-Conover's request. The Board would be receptive to the assignment of \$2.75 million in undesignated funds in the County's four-year plan for debt financing as planning and design money for the school in the third fiscal year with the award of bids early in Calendar Year 2010 subject to the following conditions: Prior to the third year, the Board wants (a) an examination of the middle school floor plan used by the Catawba County School System and its suitability and cost for the County Home Road site; (b) a feasibility analysis of the conversion of the current middle school to an elementary school and the assurance of the projected costs for such conversion; and (c) a discussion with the Board about the floor plan for a new middle school.

Chair Barnes then opened the floor for comments regarding the budget. Danny Hearn, President of the Chamber of Commerce, came forward. He said the decisions made by the Board regarding the budget would affect the ability to create a new and vibrant economic climate for the County. He said the organizations he represented were concerned about job growth and educational attainment. He stated Forbes Magazine put the County at the bottom of job growth and education and it was unacceptable. He said school funding directly related to economic development and school funding could not be compromised. He said the water and sewer monies that were eliminated from the budget would hurt the proposed infrastructure of HWY 150/HWY 16 and the businesses located there while a new development which came in and got that infrastructure. He asked that the one cent be put back in the budget.

No other persons came forward to speak.

Chair Barnes asked Mr. Lundy if the Board should vote on the assignment of the \$2.75 million in undesignated funds as outlined above. County Manager J. Thomas Lundy said he thought the minutes would reflect the content of the discussions. (See Chair Barnes' summary above).

Mr. Lundy went on to say as far as the budget, based on the wrap-up session and the decision to set the tax rate at 53.5 cent, the budget had been prepared to reflect the 53.5 cent tax rate which reduced spending on water and sewer, some school current expense and for school capital. Since the discussion, Larry Brewer advised the Board that the County had applied for and received a \$120,000 Help America Vote Federal grant and those funds have been included in the budget. The budget would set a tax rate at 53.5 cents and the final budget would be \$251,295,544. He said the Board's action would be to approve the actual Budget Ordinance.

Chair Barnes said she wanted to comment regarding Mr. Hearn's comments. She said in the budget wrap-up, the penny for water and sewer was discussed and that the projects would be just be delayed. She commended Mr. Lundy and staff for the budget they presented and noted there was no fat in the budget. Vice-Chair Beatty also added that the County was constantly working on the sewer issue in that area and would continue to do so. Commissioner Hunsucker also stressed to Mr. Hearn that the one cent in the budget dedicated to school technology was an effort to move the education standing to a higher level. Chair Barnes noted the Board would continue in its efforts to obtain Medicaid relief and a one cent sales tax. The individually agreed with Chair Barnes comments.

Commissioner Barger made a motion to approve the Budget Ordinance. The motion carried unanimously. The ordinance is as follows:

BUDGET ORDINANCE

BE IT ORDAINED by the Board of Commissioners of Catawba County:

SECTION I

Budget Adoption, 2007/08

The following budget with anticipated fund revenues of \$251,295,544 and departmental expenditures of \$251,295,544 (see pages 14 through 19 of the budget document for breakdown) is hereby adopted in accordance with G.S. 159 by the County of Catawba for the fiscal year beginning July 1st, 2007, and ending June 30th, 2008, and the same is adopted by fund and department.

The following procedures, controls, and authorities shall apply to transfers and adjustments within the budget except for the budgets of the Reinventing Departments as shown in Section II.

A. **Transfers Between Funds:** Transfers of appropriations between funds may be made only by the Board of Commissioners with the exception of merit, reclassification funds, and contingency which the County Manager has the authority to transfer.

B. **Transfers Between Departments:** Transfers of appropriations between departments in a fund and from contingency shall be approved by the Board of Commissioners or may be approved by the County Manager in conformance with the following guidelines:

1. The County Manager finds that they are consistent with operational needs and any Board approved goals.
2. Inter-department transfers do not exceed \$50,000 in total.
3. Transfers from Contingency appropriations do not exceed \$50,000 each unless the County Manager finds an emergency exists.
4. All transfers between departments and funds are reported to the Board of Commissioners no later than its next regular meeting following the date of the transfer.

C. **Transfers within Departments and Activities:** Department Heads may transfer line item appropriations between activities within the departments under their jurisdiction with the approval of the Budget Manager.

D. **Transfers within Activities in a Department:** Department Heads are hereby authorized to transfer line item appropriations within activities under their jurisdiction with the approval of the Budget Manager.

E. Transfers of Appropriations from Contingency or Departments for Real Estate Transactions: Transfers of appropriations from Contingency or departments may be made by the County Manager in order to secure options, pay deposits, or pay other necessary expenses related to real estate transactions approved by the Board of Commissioners.

F. Transfers of Capital Projects Appropriations: Transfers of appropriations up to \$50,000 between projects within a capital project fund shall be approved by the County Manager. All manager approved transfers shall be reported to the Board of Commissioners no later than its next regular meeting.

G. Transfers of Appropriations from Special Departmental Expense and Revenue Contingencies: Transfers of appropriations may be made by the Budget Manager from special departmental expense and revenue contingency accounts that have been set aside to accommodate mid-year adjustments for allocations from outside agencies. The budget for such special departmental contingency expenditures will not be used until revenues are received and the related funds are transferred out of the contingency accounts to an appropriate line item.

SECTION II

Amendment to Procedures, Controls, and Authorities for Reinventing Departments

The following procedures, controls, and authorities shall apply to transfers, personnel, and adjustments within the budget for the Reinventing Departments, as determined by the County Manager:

A. As part of this process, the County's fund balance has been maintained by taking into account the average amount of unexpended funds turned back at the end of each year and making a one time reduction in each Reinventing Department's allotment by that amount.

B. The Board of Commissioners will appropriate funds for the Reinventing Departments based on approved outcomes to be achieved during the fiscal year.

C. Department Heads are hereby authorized to transfer appropriations between activities or from special department contingencies under their jurisdiction. Requests for transfers from the General Fund contingency must be approved by the County Manager. The budget for such special departmental contingency expenditures will not be used until revenues are received and the related funds are transferred out of the contingency accounts to an appropriate line item.

D. Department Heads within the Reinventing Departments are hereby authorized to reallocate existing positions between activities under their jurisdiction.

E. Departments will be allowed to retain all unexpended allocations and/or revenues as defined by the County Manager.

F. Reinventing Departments may create or abolish positions which impact the outcomes approved by the Board of Commissioners and within available revenues upon summary approval of the Board of Commissioners. Approval will come at the next regularly scheduled Board of Commissioners' meeting and will be attached and approved as part of the minutes.

SECTION III

Tax Levy Rate

A tax rate of \$0.535 per \$100 of assessed valuation is hereby levied for Fiscal Year 2007/08, all of which is levied in the General Fund. No discounts will be allowed for early payment of taxes.

The following rates are levied for volunteer fire districts:

| <u>Volunteer Fire Department</u> | <u>Tax Rate Per \$100 Valuation</u> |
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| | 648 |

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| Bandys | \$0.0600 |
| Catawba | \$0.0700 |
| Claremont | \$0.0700 |
| Conover Rural | \$0.0700 |
| Cooksville | \$0.0517 |
| Denver | \$0.0389 |
| Hickory Rural | \$0.0325 |
| Longview | \$0.0546 |
| Maiden | \$0.0500 |
| Mountain View | \$0.0493 |
| Newton | \$0.0700 |
| Oxford | \$0.0558 |
| Propst | \$0.0615 |
| Sherrills Ford - Terrell | \$0.0500 |
| St. Stephens | \$0.0500 |

SECTION IV Hospital Fund

The Catawba Valley Medical Center Board of Trustees is hereby required to submit a monthly copy of its financial statements to the County Finance Director that will include a budget to actual comparison of all expenses and revenues.

The Hospital maintains a balance of not less than \$4 million with the County, in the Hospital Capital Reserve Fund, to finance and construct major Hospital capital projects. This Fund is intended to be used primarily to finance and construct major Hospital capital projects. However, in an emergency situation, with written request of the Hospital, the County may, in it's discretion, permit amounts on deposit in the Fund to be extended for any lawful purpose including payment of operating expenses of the Hospital. As long as a \$4 million balance in the Fund is maintained, monthly depreciation payments from the Hospital are not required. Monthly payments of \$50,000 will be required any time such \$4 million balance is not maintained.

Catawba Valley Medical Center is public non-profit hospital and an entity or component unit of Catawba County Government. The County owns the assets but the Hospital is not a line department of the County and therefore is not included in the County budget. The Hospital is authorized to operate as an enterprise fund.

SECTION V Schools' Current Expense

The allocation of general revenues for the schools' current expense is \$1,351 per pupil based on the average daily membership of K-12. This amount includes \$52 per pupil to operate the following inter-school system programs--Catawba County Bus Garage, Catawba Valley High School, Conover School for Exceptional Children, the Newton-Conover ACT Program, and the Community Schools Program.

It is recommended that the three county school systems appropriate from their estimated fund balance an amount not to exceed 5% of the current expense fund for the purpose of establishing a contingency account.

In accordance with the School Budget and Fiscal Control Act, each Board of Education is required to submit to the Board of Commissioners, as soon as adopted, a copy of the School Board's budget resolution. The school finance officer will submit a quarterly statement of the financial condition of the Administrative unit to the Board of Commissioners.

SECTION VI Capital Projects and Grants

Project Managers will be designated on a project-by-project basis for all County construction projects and the procedures set forth in "Architectural Procedures – Catawba County", adopted by the Board of Commissioners shall be used to coordinate the efforts of all parties involved in a project. Any changes in the estimate, as a result of bids or otherwise, shall be reported by the Project Managers and carry his or her recommendation of approval to the Board of Commissioners prior to the advertising of bids. When compiled and approved by user agencies, all projects must conform to the Catawba County Design and Construction Specifications.

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Managers

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from Facilities Director to

In accordance with the School Budget and Fiscal Control Act each school system will submit to the County Budget Manager detailed project sheets for each capital project included in this budget on sheets as specified in the "Uniform Budget" format, by January 1, 2007.

The General Capital Projects Fund, the Hospital Construction Fund, the Water and Sewer Construction Fund, the School Capital Outlay Fund, the School Bond Capital Projects Fund, and the CDBG Scattered Site Housing Fund are hereby authorized. Appropriations made for the specific projects or grants in these funds are hereby appropriated until the project is completed.

Any grant or capital project budget previously adopted, the balance of any anticipated, but not received, revenues and any unexpended appropriations remaining on June 30th, 2007, shall be reauthorized in the 2007/08 budget unless a specific new budget has been prepared.

SECTION VII **Emergency Approvals, Schools**

Emergency transfers to and from the School Capital Outlay Fund shall be in accordance with the School Budget and Fiscal Control Act.

SECTION VII **Annual Financial Reports**

All agencies receiving County funding are required to submit an audit report by December 31st, 2007. Approved payments may be delayed pending receipt of this financial information.

SECTION IX **Fees and Licenses**

Charges for fees and licenses by Catawba County Departments or Agencies shall be in accordance with the fee policy. Fee changes to be adopted by the Board of Commissioners are set forth in the attached Schedule A.

SECTION X **Per Diem Pay**

The Board of Commissioners and members of County boards are authorized to receive per diem pay as follows:

Alcoholic Beverage Control Board – Chair, \$75 per meeting; Members, \$50 per meeting
Board of Adjustment – Chair, \$50 per meeting; Members, \$35 per meeting
Board of Commissioners – Chair, \$950 per month; Members, \$750 per month; In-County Travel Allowance, \$250 per month
Board of Elections – Chair, \$75 per meeting; Members, \$50 per meeting; \$100 for Election Day
Equalization & Review Board – Chair, \$50 per meeting; Members, \$35 per meeting
Hospital Board of Trustees - Chair, \$75 per meeting; Members, \$50 per meeting
Library Board – Chair \$50 per meeting; Members, \$35 per meeting
Mental Health Board – Chair, \$60 per meeting; Members, \$40 per meeting
Planning Board – Chair, \$50 per meeting; Members, \$35 per meeting
Public Health Board – Chair, \$50 per meeting; Members, \$35 per meeting
Social Services Board – Chair, \$50 per meeting; Members, \$35 per meeting
Subdivision Review Board – Chair, \$50 per meeting; Members; \$35 per meeting

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budget

Value Review Committee – Chair \$50 per meeting; Members \$35 per meeting

SECTION XI
Personnel

A. Salaries - Salaries for Fiscal Year 2007/08 are based on the Fiscal Year 2007/08 pay plan for Catawba County that is adopted as a part of this budget and is effective July 1st, 2007. The pay plan includes a 1% Cost of Living Adjustment (COLA) on July 1st, 2007. Funds are included for a 1.5% Performance Pay based on an annual performance rating of Meets Expectations, and funds are included for up to 70% of the workforce to receive an additional 2%, based on an annual performance rating of Exceeds Expectations.

B. Merit Payments - Funds are allocated in the budget to provide merit payments. The County Manager is instructed to prepare a plan for the administration of merit payments for exceptional performance to be effective during the Fiscal Year 2007/08 and to communicate said policy to all department directors and administer the plan.

C. Travel Allowance - The travel allowance rate will be according to the IRS reimbursement rate.

D. Special Payment - Positions that require specialized skills may be compensated by a special payment. This payment will only occur while the employee is serving in that capacity. This special payment is not considered a part of the annual base pay for classification. The amount of special payment is to be approved by the County Manager upon a recommendation by the Personnel Director.

SECTION XII
Budget Policy for State and Federal Fund Decreases

It will be the policy of this Board that it will not absorb any reduction in State and Federal funds; that any decrease shall be absorbed in the budget of the agency by reducing personnel or department expenditures to stay within the County appropriation as authorized.

This policy is extended to any agency that is funded by the County and receives State or Federal money. This shall remain in effect until otherwise changed or amended by the Board of Commissioners. The County Manager is hereby directed to indicate this to each of the agencies that may be involved.

SECTION XIII
Reappraisal Fund

In accordance with the provisions of G.S. 153A-150, an appropriation of \$436,964 will be made from the General Fund to the Reappraisal Fund for the purpose of providing funds for the next reappraisal.

SECTION XIV
Fiscal Control Act

The Budget Manager and the Finance Director are hereby directed to make any changes in the budget of fiscal practices that are required by the Local Government and Fiscal Control Act. This shall extend to permitted consolidations of funds and "Single Tax Levies" permitted in the Fiscal Control Act.

A. As provided by G.S. 159-25 (b), the Board has authorized dual signatures for each check or draft that is made on County funds. The signatures of the County Manager, Finance Director, Assistant County Manager, and Assistant Finance Director shall be authorized signatures of the County.

B. Operating funds encumbered on the financial records of the County as of June 30th, 2007, are hereby reappropriated to this budget.

C. The Board authorizes the appropriation of all Fund Balances earned by the Reinventing Departments as determined by the County Manager and as a result of the County's annual audit of June 30th, 2007.

D. The Board also authorizes (as is the practice) one principal account as depository for all funds received by the Finance Director from any source. Current accounting techniques shall be used to assure that all funds will be properly accounted for in the financial records of the County.

SECTION XV

Authorization to Contract

The County Manager or his designee are hereby authorized to execute agreements, within funds included in the Budget Ordinance or other actions by the Board of Commissioners, for the following purposes: 1) Form grant agreements to public and non-profit organizations; 2) Leases of routine business equipment; 3) Consultant, professional, or maintenance service agreements; 4) Purchase of supplies, materials, or equipment where formal bids are not required by law; 5) Applications for and agreements for acceptance of grant funds from Federal, State, public, and non-profit organization sources, and other funds from other government units, for services to be rendered which have been previously approved by the Board; 6) Construction or repair projects; 7) Liability, health, life, disability, casualty, property, or other insurance or performance bonds other than similar items required by the Sheriff or Register of Deeds; and 8) Other administrative contracts which include agreements adopted in accordance with the directives of the Board of Commissioners.

SECTION XVI

Authorization to Award and Reject Bids

Pursuant to General Statute 143-129, the County Manager is hereby authorized to award formal bids received in amounts less than \$250,000 within the following guidelines: 1) bid is awarded to the lowest responsible bidder; 2) sufficient funding is available within the departmental budget; and 3) purchase is consistent with the goals and/or outcomes of the department. The County Manager shall further be authorized to reject any and/or all bids received if it is in the best interest of Catawba County. A report shall be made to the Catawba County Board of Commissioners of all bids awarded or rejected under this section and entered in the minutes of its formal sessions.

SECTION XVII

911 Service Charge

Pursuant to North Carolina General Statute 62A-4 and Catawba County Code of Ordinances Sec. 14-177, a monthly charge in the amount of \$0.85 is hereby imposed upon each exchange access facility subscribed to by all telephone subscribers whose exchange access lines are in the area served or which would be served by Catawba County Enhanced 911 Service. The said monthly charge shall be uniform and shall be charged to each exchange access facility regardless of the type of said exchange facility used.

Pursuant to North Carolina General Statute 62A-23 and Catawba County Code of Ordinances, a monthly Wireless Enhanced 911 service charge in the amount of \$0.80 is hereby imposed on each Commercial Mobile Radio Service (CMRS) connection. The service charge shall have uniform application and shall be imposed throughout the State.

This ordinance is adopted this 26th day of June 2007.

8. Public Comments for items not on the agenda. None.

9. Appointments.

Chair Barnes, recommended the appointment of Johnnie Sue Ross to a first term on the Catawba County Council for the Arts and Pastor Donald Gray to a first term on the Juvenile Crime Prevention Council, and the reappointment of Anne Davis for an additional one year term to the Economic Development Corporation. Chair Barnes also recommended her appointment as voting delegate at the annual National Association of Counties conference, with Vice-Chair Barbara Beatty designated as alternate voting delegate.

Vice-Chair Beatty recommended the appointment of Amy Smith and Jody Street for first terms on the Library Board of Trustees and the reappointment of Joseph Kerley for a second term on this Board. She also recommended the reappointment of Aundria Jones for a third term and Barbara Poovey for a fourth term on the Maiden Planning Board.

Commissioner Lynn Lail recommended the reappointment of Maria Winkler Hyams for a seventh term and Debbie Kaylor Jones for a second term on the Nursing and Rest Home community Advisory Committee. Commissioner Lail also recommended the Western Piedmont Council of Governments appoint Harriett Bannon for a first term on the WPCOG Aging Advisory Committee. Based on the upcoming transitional year leading to a merger with Burke County, Commissioner Lail recommended the extention of the terms of Ray Von Beatty, John Dayberry, Crystal Leathers, Charles Phillips, David Eisenhower and Harold Setzer for one year on the Mental Health Board.

Commissioner Dan Hunsucker recommended the reappointment Jane Coley Sigmon for a third term on the NC Auditorium Authority Board of Directors.

County Manager J. Thomas Lundy recommended the reappointment of Randy Moose for a fourth term as Tax Assessor.

These recommendations came in the form of a motion. The motion carried unanimously.

10. Department Reports.

Debbie Anderson, Purchasing Agent, presented a request for the Board to award a bid for the provision of aggregate stone and delivery of same for an expansion of the County's Construction and Demolition (C&D) Landfill to Dickinson Hauling of Hickory, NC in the amount of \$97,000. The expansion of the C&D Landfill was approved in the County's fiscal year 2006/07 budget. The County requested and received legislation in the North Carolina General Assembly (Senate Bill 166, Catawba County Force Account) which allows the construction of this expansion with County staff. The use of County staff will save Catawba County approximately \$860,000 as compared with the use of outside companies. Aggregate is a vital component in the construction of the C&D Landfill, and will be used to meet the State's Erosion Control requirements and build an access road to allow traffic to reach the fill area.

Three formal bids were received by the County on May 24, 2007 for 2000 tons of ABC gravel, 2000 tons of surge stone and 1000 tons of rip rap. The bids were as follows: Dickinson Hauling, Hickory, NC, \$97,000; J.T. Russell & Sons, Inc., Conover, NC, \$98,870; and Burke Grading & Paving, Inc., Drexel, NC, \$123,500.

Commissioner Lail made a motion to award the bid to Kickinson Hauling of Hickory. The motion carried unanimously.

11. Attorneys' Report.

County Attorney Debra Bechtel requested the Board approve two easements (one temporary construction easement and one permanent easement) for a NC Department of Transportation road project. County Attorney Debra Bechtel presented a request for approval of two easements which would allow a secondary road entrance to Catawba Valley Medical Center. This would allow ambulances to enter the hospital from Tate Blvd. rather than having to pass through the intersection at Tate Blvd and Fairgrove Church Road before entering the entrance near the emergency room. Both easements are in property titled in Catawba County's name.

13. Manager's Report.

14. Chair Barnes adjourned the meeting at 8:15 p.m.

Barbara G. Beatty, Vice-Chair
Board of Commissioners

Barbara E. Morris, County Clerk