

Special Meeting  
Catawba County Board of Commissioners  
And  
North Carolina Association of County Commissioners Advocacy Team  
Thursday, November 3, 2011  
9:30 a.m.

The Catawba County Board of Commissioners met in a Special Meeting with the North Carolina Association of County Commissioners (NCACC) Advocacy Team on Thursday, November 3, 2011 at 9:30 a.m. in the CVCC Board Room, 2550 Highway 70 SE Hickory. The purpose of this meeting was to discuss the development of a legislative agenda.

Present were Chair Katherine W. Barnes, Vice-Chair Lynn M. Lail and Commissioners Dan Hunsucker and Barbara G. Beatty. Commissioner Randy Isenhower was absent.

Present were NCACC Advocacy Members: Legislative Council Amy Bason, Director of Government Relations Kevin Leonard, Legislative Research Analyst Latonia Strickland, Legislative Grassroots Coordinator Alissa Willett, Outreach Coordinator Lisa Nolen and Outreach Associate David Nicholson.

Also present were County Manager J. Thomas Lundy, Assistant County Manager Dewey Harris, County Attorney Debra Bechtel, Utilities and Engineering Director Barry Edwards, Economic Development President Scott Millar, Finance Director Rodney Miller, Emergency Services Director Bryan Blanton, Board of Elections Director Larry Brewer, Social Services Director John Eller, Public Health Director Doug Urland, Budget Manager Jennifer Mace, Captain Mark Shook from the Sheriff's Office and County Clerk Barbara Morris.

Chair Katherine W. Barnes called the meeting to order at 9:46 am. and welcomed everyone present, stating the purpose of this meeting was to discuss legislative issues that were of importance to Catawba County.

1. Tax/Revenue Issues:

Support an increase to \$35,000 in the Homestead Exclusion Income Limit – Chair Barnes noted that the NCACC didn't support this goal as it decreased the tax base. She explained that when Catawba County passed the ¼ cent sales tax, the Board promised to seek an increase to this exclusion in recognition of the financial difficulties and the tax burdens of the elderly. Chair Barnes stated that the Board would continue to seek this increase. She acknowledged that this would have to be a statewide exclusion.

NCACC Director of Government Relations Kevin Leonard asked if the tax revenue impact of this increase in the exclusion had been calculated for Catawba County and Chair Barnes responded it would be approximately \$350-400,000 – and noted the tax revenues from the ¼ cent sales tax exceeded this. Mr. Leonard stated the Association was conflicted on this issue as they were constantly working for revenue flexibility for the counties but they also had to protect the tax base. He stated the Association respected the County's view on this exclusion and its need to advocate for the increase. County Manager J. Thomas Lundy asked if the Association would actively oppose the County's effort and Mr. Leonard stated they would not oppose it but would draw attention to other exemptions and their impacts. He encouraged the County to bring it forward again as a goal as it encouraged good discussions in legislative goals process and further suggested that the County's efforts be posed as an option because it had been successful in getting the ¼ cent sales tax.

Support an equitable distribution method in the School Capital Fund Formula/Lottery Proceeds – Finance Director Rodney Miller stated that counties with lower tax rates should not be penalized and equitable distribution of these funds should be sought. He was thankful for the correction efforts by Representative Ray Warren and Catawba County had benefited from the correction funds. He stressed the fairest method for distribution of these funds would be based on ADM numbers and the biggest concern was that whatever the distribution method utilized, that debt service be covered. Mr. Miller stated it was a major concern that the original seal on these funds had been broken and there was the large question of how far and how much of these funds would be directed away from their original purpose.

Mr. Leonard agreed that the ADM method would be the most equitable and may be the way of the future and the debt service argument was one of the strongest for this issue. He stated the Association would

advocate to not just cover the debt service but to go beyond just maintaining infrastructure and actually build on it with these funds.

Assistant County Manager Dewey Harris added another concern was school reversions back to the State and the opposition to any more unfunded mandates. Mr. Leonard stated they had heard this from the various counties they had visited on this advocacy trip. Chair Barnes added that the issue of public schools having to pay sales tax when private schools didn't was also a concern alongside reversions.

Support maintaining local control of the North Carolina ABC System and preservation of local revenues from the system – Chair Barnes stated that the Catawba County ABC System was well run – which was not true of all systems across the state. She said these systems should be locally controlled; the state didn't own the buildings and the counties relied upon the income from these systems (approximately \$800,000 to \$1.1 mil) to assist in funding mental health programs and law enforcement and privatizing the system would not improve anything. Mr. Leonard said the study regarding privatizing was probably not going to go anywhere – it wasn't getting any traction and the next time it might be looked at was in 2013.

Acknowledgment for supporting an increase in the reimbursement rate for local government legal work related to in rem foreclosures – County Attorney Debra Bechtel thanked the Association for its assistance in getting this legislation passed. The fee paid to counties for their work on these in rem foreclosure actions increased from \$50 to \$250 which more adequately covered the costs to the counties in these actions. Mr. Leonard said this legislation was a prime example of counties coming forward to identify areas of concern and working with the Association to improve the statutes.

## 2. Economic Development and Job Creation Issues:

Support changes to North Carolina's economic development tiering structure and state funding of economic development projects – Economic Development Corporation President Scott Millar outlined the difficulties with the current tiering system. Mr. Millar explained the four-factor system and how it caused inequity in state funding of economic development projects and other grant opportunities. He argued that the unemployment rate should be the primary/sole factor in determining this funding. Other department heads (Utilities and Engineering, Public Health and Emergency Services) added that this tiering system also affected grant opportunities for their departments. Of great interest was Utilities and Engineering Director Barry Edwards' statement that we were not only losing grants and economic development projects to other NC counties but due to the tiering system, we were losing projects to other states. It was clarified that some other states have a tiering system like NC but they were far less complicated and those that did have tiering systems didn't apply the tiering criteria to as many programs and grants as NC. It was decided that a chart would be developed by County staff for the Advocacy Team with department head input to outline how the tiering system affected each department, what barriers it created and the amount of financial impact caused by those barriers. Mr. Leonard stated the chart would be a useful tool to start a conversation with incumbents.

Support changes to development regulations pertaining to building and environmental health inspections - Utilities and Engineering Director Barry Edwards discussed barriers to building and development. He stated the current regulations were making it impossible for returning manufacturers to start up in their old locations due to the expense of meeting new bathroom, ventilation and fire prevention requirements. Buildings were staying vacant due to these regulations and flexibility had to be looked at to make these manufacturers even consider returning to North Carolina. Mr. Leonard asked that specifics be compiled and they would work to give more latitude to local entities. Mr. Leonard questioned whether the workforce would be here if these companies returned and Mr. Millar said that while there would be some workforce issues, there were many who wanted to get back to the work they had done prior to manufacturing moving overseas.

Public Health Director Doug Urland stated there were rules and regulations in the public health and safety area that were open to interpretation but duplication and redundancy was expensive and frustrating to citizens. An example was used of a wastewater system that required an inspection by Public Health and also required the citizen to obtain an outside inspection – the citizen was paying twice for what one inspection would reveal. He stressed that wastewater rules had not been reviewed in total for 12-13 years and a review

was necessary. Vice-Chair Lynn Lail used the example of a septic tank permit with an application that was 13 pages long and so complicated that an average citizen would be unable to complete.

Support local legislation similar to legislation passed last year. ( Cleanfields Act of 2010 – allow Catawba County to provide triple credit toward renewable energy portfolios). Barry Edwards said if such incentives were available to all counties, it would encourage other counties to go as green as Catawba County.

### 3. Public Safety Issues:

Justice Reinvestment Act and other jail issues – County Attorney Debra Bechtel and Captain Mark Shook from the Sheriff's Office discussed the capacity issues that will result from the Justice Reinvestment Act which becomes effective December 1, 2011. Mr. Leonard indicated that there would be a lot of time spent reviewing this Act and the issues resulting from it. After discussions regarding the elimination of local CJPP Boards, Mr. Leonard indicated they would need feedback on the results of this action and details would be needed so that this legislation could be fine-tuned.

Opposition to changes for unsecured bonds was stressed, again for the resulting capacity problems. Additionally, opposition to adding more requirements for electronic monitoring was requested as added requirements will defeat the concept of the program.

Trends/issues in animal services – Emergency Services Director Bryan Blanton raised the following issues:

- The tiering system discussed earlier in the meeting affected funding for spaying and neutering
- Exotic Animals – North Carolina is one of seven states that has no state regulations regarding exotic animals – we have one at the county level but the state should have one.
- Sale of animals at open markets – no regulations (except for chickens)
- Feral Cats – the 72 hour hold time requirement will cause capacity problems

Mr. Leonard replied that the Association had some reluctance to touch animal issues and all Commissioners responded that they all receive calls from citizens regarding animal issues.

### 4. Human Service Issues:

The State should maintain "Electing Counties" and maintain the County's financial incentives – Social Services Director John Eller said there was not great support for Electing Counties because most of the current legislators were not around when this concept started and don't understand the benefit of Electing Counties – they assume the risk, they manage the money. The worries are that if Electing Counties go away, it will have the result of an unfunded mandate.

Chair Barnes then announced the meeting would break for lunch. Catawba Valley Community College President Garrett Hinshaw joined the meeting and talked of the growth of the college – enrollment up 24% over the last four years and the fact that the community college system was very cooperative with the needs of the state. Legislators needed to hear from the community college system which was over 800,000 student-strong in the state.

Following lunch:

Impact of consolidating human services – Public Health Director Doug Urand stated that the state should recognize and respect local autonomy and the choice and flexibility that comes along with that autonomy. The focus needed to be on improving the health of the community and local entities don't want the state to tell them how to do that. He acknowledged there were successful public health districts out there but one size does not fit all. He said if the state will tell us the outcome they are looking for, the local entity will work out the details and get it done. Chair Barnes stated if the State gets so prescriptive, creativity will be lost.

### 5. Election Issues:

Support legislation to provide for less expensive alternatives for run-off elections – Board of Elections Director Larry Brewer stated costs of second primaries can be done cheaper with less statutory requirements. He doubted that the legislature would do away with second primaries but hoped they would consider

November 3, 2011, MB#52  
Special Meeting

alternatives such as opening a limited number of sites. Early voting, electronic vs. paper ballots and training time was discussed.

All agreed the meeting had given attendees a better understanding of Catawba County's issues and attendees departed to tour the Simulated Hospital at 1:15 p.m.

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Katherine W. Barnes, Chair  
Catawba County Board of Commissioners

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Barbara E. Morris  
County Clerk