

Minutes
 Catawba County Board of Commissioners
 Regular Session, Monday, December 18, 2006, 7:00 p.m.

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The Catawba County Board of Commissioners met in regular session on Monday, December 18, 2006 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 Glenn E. Barger and Lynn M. Lail.

Commissioner Dan Hunsucker was absent.

Also present were County Manager J. Thomas Lundy, Assistant County Manager Joellen Daley, 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 7:06 p.m.
2. Chair Barnes led the Pledge of Allegiance to the Flag.
3. Commissioner Lynn Lail offered the invocation.

Chair Barnes advised the Board and those present that Commissioner Hunsucker was ill and unable to attend the meeting.

4. Commissioner Glenn E. Barger made a motion to approve the minutes of the Regular Meeting of December 4, 2006. The motion carried unanimously.
5. Recognition of Special Guests: She welcomed everyone present and said it had been a busy few weeks and it did not appear December was going to slow down much but the County would be taking a break for the Christmas holiday.
6. Comments for Items not on the Agenda. None.
7. Public Hearings:
 - a. Renee Hart, E-911 Addressing Coordinator, presented a request for approval for the proposed names for two unnamed streets located in Caldwell and Clines Townships. The goal of the County's E-911 Office is to assign individual E-911 numbers to all dwellings located in Catawba County. One step towards achieving this goal is to name streets or driveways that meet the road naming requirements. The requirements for the road naming process are: the road must be at least 1200 feet in length and/or access three or more parcels. In the continuing process of naming streets or driveways in Catawba County, the following streets/right-of-ways were found to be unnamed.

In Caldwell Township an unnamed street had been identified off Buffalo Shoals Rd. This was brought staff's attention while attempting to number a plat for Tommy and Marcella Lineberger. It was determined that this right of way should be named since there are five (5) properties accessed from it. After speaking with other property owners and determining that they were all in agreement, Mrs. Vicky Whitmire phoned in the suggested name of Whitmire Ln. The name was not a duplication; therefore, staff recommended approval of WHITMIRE LN as the street name.

In Clines Township an unnamed street had also been identified. It is located off N NC 16 HWY. The residents currently using this right-of-way for access to their property are all related. A suggestion of JM ARNDT LN was received from Mr. Philip Setzer. He and the other property owners, who are his sisters, chose the name as a way to honor their uncle, Mr. Jack Arndt. Mr. Arndt was the only son of Mr. Harry M. Arndt, who was the superintendent of the Catawba County Schools for many years. This suggestion was not a duplicate street name; therefore, staff recommended approval of JM ARNDT LN as the name for this street.

The Planning Board conducted a public hearing on October 30, 2006 and there was no opposition to these proposed road names.

Chair Barnes stated that the public hearing had been duly advertised and was open for anyone wishing to speak. Hearing and seeing no one, Chair Barnes closed the public hearing. Commissioner Barger made a motion to approve the proposed road names. The motion carried unanimously.

b. Cal Overby, Planner, came forward to present a request to rezone a 1.79 parcel in the St. Stephens/Oxford Small Area Planning District from C-1 Commercial District to C-2 Commercial District. The property is located at 5960 NC 16 North in the St. Stephens / Oxford Small Area Planning District, Clines Township, and further identified as Parcel Identification Number 3755-17-21-0308.

The subject parcel is currently vacant. The property to the north is zoned R-2 Residential and is currently occupied by a stick-built single-family residential structure. The property to the south is zoned C-1 Commercial and is currently occupied by a restaurant, the property to the east is zoned R-2 Residential and is currently in agricultural use and the property to the west across NC 16 North is zoned R-2 Residential and is currently occupied by a church.

The Catawba County Zoning Ordinance, Section 44-82, C-2 Commercial District states "... the district is intended to provide land for the provision of convenience shops and specialty retail goods and businesses and personal services to the traveling public and the residents of neighborhoods. The C-2 District shall be located with direct access to arterial and collector streets. Proposals for larger sites offering a greater amount of goods and services shall use the planned development approach contained in Article XI of this chapter".

Generally the C-1 Commercial District is considered a rural commercial district, while the C-2 Commercial District is considered a highway oriented commercial district. Permitted uses within the C-1 District generally consist of retail and service uses targeting the immediate surrounding neighborhoods.

The stated intent of the C-2 District is to provide for the location of retail and service uses targeting the traveling public, as well as the surrounding neighborhood. Uses permitted within the C-2 District are typically larger in terms of physical size and greater in intensity than those uses permitted within the C-1 District.

For example, the property proposed for rezoning is 1.79 acres in size. The current C-1 District would permit for a maximum floor area ratio of 1:5, which would calculate into 0.358 acres (15,994 sq. ft.) of total floor area. The C-2 District, which is being requested, would permit for a maximum floor area ratio of 1:3, which would calculate into 0.59 acres (25,700 sq. ft.) of total floor area; an increase of 0.232 acres (9,706 sq. ft.) of total floor area.

Another difference between the C-1 and C-2 Districts involves the intensity of uses permitted within each. For example automotive sales, carwashes and flea markets would be prohibited within the C-1 district, but permitted within the C-2 District.

Public water and sewer are not available. Public water is located approximately 2,235 ft (0.42 miles) to the south near the intersection of NC 16 and Shell Hollar Rd. NC 16 North is designated as a major thoroughfare by the Hickory-Newton-Conover Urban Area 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 16 South is a 2-lane roadway. 2003 traffic counts were taken to the south of the intersection of NC 16 North and Springs Rd. The count at this location measured 11,000 vehicle trips per day (VPD). The capacity of this particular span of NC 16 North is 13,700 VPD, which is currently operating within its design parameters. The Greater Hickory Urban Area Transportation Plan recommends that NC 16 be widened to a multi-lane roadway from I-40 to Alexander County. The plan also recommends the widening of Springs Rd to a multi-lane roadway. These projects are currently unfunded projects in the State Transportation Improvement Plan (STIP). The St. Stephens / Oxford Small Area Plan also recommends the widening of NC 16 and Springs Rd. The St. Stephens / Oxford Small Area Plan, adopted on April 21, 2003, serves as the current land use

plan for this area. The plan identifies the intersection of NC 16 North and Springs Rd as a Rural Commercial Node.

The Planning Board conducted a public hearing on November 27, 2006. No one present opposed the rezoning.

Chair Barnes stated the public hearing had been duly advertised and opened the public hearing for comments. Hearing and seeing no one, she closed the public hearing. Commission Lail made a motion to approve the rezoning request. The motion carried unanimously.

The following ordinance reflects the Board's action.

Ordinance No. 2006-_____

AMENDMENT TO THE CATAWBA COUNTY ZONING MAP

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS, that the Catawba County Official Zoning Atlas is hereby amended by rezoning the following described property from the C-1 Commercial district to the C-2 Commercial district.

The 1.79 acre tract located at 5960 NC Hwy 16 North in the St. Stephens / Oxford Small Area Planning District, Clines Township. It is further identified as Parcel ID number 3755-17-21-0308.

PLAN CONSISTENCY STATEMENT:

The Board of Commissions finds that the request is consistent with the land use patterns established in the St. Stephens / Oxford Small Area Plan and is consistent with the comprehensive plan for Catawba County.

This the 18th day of December 2006.

c & d. Chair Barnes said that she would combine the next two public hearings on the Unified Development Ordinance and the Adoption of New Official Zoning Maps based on Small Area Plans and Unified Development Ordinance. She said before she reconvened the public hearings, she wanted to make a statement and make sure everyone was aware of the Board's activities regarding these issues. She stated the previous week the Board of Commissioners had announced it would not take action at the current meeting on these issues and these two public hearings would again be continued until Tuesday, January 16, 2007 at 7:00 p.m. and at that time it was expected that the Board of Commissioners would take action on the Unified Development Ordinance and it would become effective immediately. Chair Barnes stated the Board had been working diligently with some work sessions and the information regarding the updates to the UDO would be available on the County's website on Tuesday, January 2, 2007 and all interested parties could review the final version, including the text and maps. In addition, a document explaining each of the modifications would accompany the UDO explaining the current wording, the proposed change and rationale, as well as a cross reference to the appropriate section. Chair Barnes said the commissioners had had three work sessions since the September 18, 2006 Board of Commissioners Meeting. These work sessions had been focused on three issues which include two acre zoning (as a result of that work session, the Board decided to reduce the two acre zoning requirement to one acre with some higher development standards); home occupations (as a result of that work session the Board decided to relax the standards for home occupations to permit more uses, with some accompanied standards), and affordable housing (as a result of that work session the Board has agreed to allow more provisions to accommodate mobile home owners and modified the Doublewide Mobile Home map slightly).

Chair Barnes reconvened the public hearing and asked if there were any new comments on areas that had not been addressed. She said at that time, they did not have the actual document ready but

would welcome comments. She reminded all present that comments would also be taken at the January 16, 2006 meeting.

Jeff Kerley – Lives in the County and grew up in the County. He works in the County and worked on the UDO and the St. Stephens Small Area Plan. He appreciated the work that had been done. He still had concerns on pre-engineered buildings. Chair Barnes advised that this had been addressed in the modifications. Jacky Eubanks clarified that the County recognized the change in technology and design features and what was decided was that smooth metal paneling is not permitted but textured metal and textured vinyl is allowed anywhere in the County and in planned development areas along the corridors and overlay areas and in the stand alone districts as well. Mr. Kerley also commented on the land clearing issues – he said he was all for not just stripping the land but the proposed restrictions in clustering would be difficult for developers. He said the developers felt like schools were the whole issue of the UDO, but when municipalities were going to allow things that the County would not, he wished there was some way to unify the municipalities within the County.

Doug Ellison, President of Shook Building Supply – He said he wanted to echo Jeff Kerley's concerns regarding steel buildings. He also addressed clear cutting and said there were a number of species such as black pine and yellow pine that are very weak and should be cut down from a safety issue standpoint. He said the tree caliber for street trees at 2" was overkill and very expensive.

Don Parham – Sherrills Ford – He said for those who own large tracts of land in Catawba County, especially farmers, the reduction from two to one acre minimums was welcomed. He said Sherrills Ford was about to face two thousand houses being built in the Lake Norman section. He said there would be a big problem with schools and traffic on Hwy 150 and Kiser Island. He advised the Board to be cautious about how quickly it allowed the development to take place.

Chair Barnes asked if anyone else wanted to speak and no one came forward. She repeated that the public hearing would not be closed but it would reconvened on January 16, 2007 at 7:00 p.m. and comments would be taken at that time also. She reminded those present that the revised document would be available online on January 2, 2007 and copies would be available for review at the libraries and in the Planning Office and the maps would also be available for public review.

8. Appointments:

Vice-Chair Beatty recommended the reappointment of Clyde Robinson for a second term and Rick Young for a first term on the Catawba Planning and Zoning Board. Commissioner Lail recommended the reappointment of Clement Geitner and Joe Rowe for second terms to the Equalization and Review Board. Commissioner Lail briefly explained, for the sake of the audience, the statutory requirements regarding the political party affiliation of appointees to this board. These recommendations came in the form of a motion. The motion carried unanimously.

9. Consent Agenda:

County Manager J. Thomas Lundy presented the following five items under the consent agenda:

a. Financing for hospital equipment for the Catawba Valley Medical Center (owned by the County) and Voice Over IP and virtual servers. The amount of financing for the hospital is \$1.7 million – this is for MRI equipment. The hospital took bids with four banks earlier in the year and the lowest bidder was BB&T – for a 59 month term at 4.59%. The Board approved at its November meeting the purchase plan for Voice Over Internet Protocol for the County's communication equipment in the amount of \$1 million. Some financing had been originally offered by the Fund Company of 5.21%. The County also wants to consolidate some of its servers to reduce the number of servers and to provide a back up in case of disaster. The combined financing would be \$1.7 million for the hospital and approximately \$1.5 million for the County. Mr. Lundy said by going ahead and buying the equipment now, the estimated savings will be \$350,000 over the next five years. By combining this with BB&T, a reduced interest rate of 4.29% was obtained and resulted in a saving of 30 and 51 basis points, respectively. The hospital is responsible for the payment of its debt. The following resolutions were adopted for this transaction:

Resolution Approving Financing Terms

WHEREAS: Catawba County, North Carolina (the "County") has previously determined to undertake a project for the purchase of Voice over Internet Protocol (VoIP) telephone equipment and computer servers (the "Project"), and the Finance Officer has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The County hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated December 5, 2006. The amount financed shall not exceed \$1,450,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 4.29%, and the financing term shall not exceed fifty-nine (59) months from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. The Finance Officer is hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as he may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and a Project Fund Agreement, as BB&T may request.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by County officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The County shall not take or omit to take any action the taking or omission of which will cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The County hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. All prior actions of County officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Resolution Approving Financing Terms

WHEREAS: The **Error! Reference source not found.** (the "Hospital") has previously determined to undertake a project for MRI equipment (the "Project"), and the Finance Officer has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The Hospital hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated December 5, 2006. The amount financed shall not exceed \$1,663,434.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 4.29%, and the financing term shall not exceed fifty-nine months years from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the Hospital are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and a Project Fund Agreement, as BB&T may request.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Hospital officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The Hospital shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations.

5. All prior actions of Hospital officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this _____ day of _____, 2006.

b. Supplemental appropriation for Maiden High School. This is to finish the payments for construction of the high school. The appropriation is for \$244,533 which will come from interest earnings off the bonds that were invested while the school was being built. The appropriation is as follows:

Revenue:

423-740050-690100 Fund Balance Appropriated \$244,533

Expenditure:

423-740100-863200-31114-2-02 Maiden High School \$244,533

c. Fee schedule for the Citizen Alert Notification System. The County received a Homeland Security Grant in the amount of \$145,110 and a \$6,000 grant from Duke Energy toward what is known as a "reverse 911" system. This gives the County the opportunity to, by phone, email, text, PDA or Blackberry, notify people of an event/disaster and it can be done on a geographic basis – for example, the school system can notify parents who live in a certain area of an event that effects those school students. The County will be buying a 96-line system with a capacity to send 5,760 one-minute messages per hour. The fee schedule has been worked out with the County and the cities paying a per capita fee of 25 cents per person. The schools have all agreed on a flat fee of \$780.00 per school (an estimated cost of a phone line). The community college will pay a \$5000 flat fee and both hospitals a \$2500 flat fee. Every municipality, with the exception of Longview and Brookford, has agreed to participate. Each partner has agreed to a five year financial obligation and the equipment will be by Dialogic Communications Corporation. Mr. Lundy commended Joe McRae and David Weldon for their work on the project. The supplemental appropriation is as follows:

Transfer

From:		To:	
110-260060-631835	\$145,110	110-270100-631835	\$145,110
Homeland Security Grant		Homeland Security Grant	

111-260060-982000	\$145,110	110-270100-982000	\$145,110
Small Tools & Minor Equipment		DP Equipment	
Total	\$290,220	Total	\$290,220

Supplement Appropriation

110-270100-857900	\$44,575	110-270100-682300	\$6,000
Other Contractual Services		Duke Power	
110-270100-982000	\$5,862	110-270100-650600	\$10,530
DP Equipment		Catawba County Schools	
		110-270100-650800	\$3,900
		Hickory City Schools	
		110-270100-650700	\$2,340
		Newton-Conover Schools	
		110-270100-650110	\$2,500
		CVCC	
		110-270100-652000	\$1,637
		City of Newton	
		110-270100-652200	\$887
		City of Conover	
		110-270100-652400	\$390
		Town of Claremont	
		110-270100-652100	\$408
		Town of Maiden	
		110-270100-652500	\$390
		Town of Catawba	
		110-270100-650111	\$2,500
		Frye Regional Medical Center	
		110-270100-650112	\$2,500
		Catawba Valley Medical Center	
		110-190050-690100	\$16,455
		Fund Balance	
Total	\$50,437	Total	\$50,437

d. Request to combine the Hickory-Viewmont and Hickory Fairbrook Fire Districts into the Hickory Rural Fire Insurance District. This request came from the NC State Fire Marshal's Office. Both the rural fire districts are very small and have the same tax rate and the proposal would combine them into a single district, effective July 1, 2007. There would be no change in the boundaries and no change in the tax rates.

e. Three tax refund requests totaling \$3,343.87 – one was an over assessment, a second was a business that closed in 2004 and was billed in 2005 and the third regards an individual who had almost 50 acres and sold 17 acres, and was billed for the entire 50 acres.

Chair Barnes asked if there was any item that a commissioner would like broken out for separate consideration and there were none. Commissioner Lail made a motion to adopt the consent agenda. The motion carried unanimously.

10. Other Items of Business.

a. Assistant County Manager Joellen Daley presented the proposed 2007 Federal and State (updated) Legislative Agendas. She stated the State agenda was an update to one the Board had adopted in September 2006.

Ms. Daley said the State Agenda was essentially the same to what had been adopted in September with two changes. The first was the removal of the Champions of Education Proposal as the item may be addressed in a study committee and it was learned there is no compelling evidence that supports raising the mandatory graduation age to 18 to reduce the dropout rate. The second was the addition of an item to support the NC Citizens for Business and Industry (NCCBI) request to clarify that industrial machinery, which is not affixed to a part of a building or structure, is not subject to a building inspection. The remainder of the 2007 State Legislative Agenda, which follows, was the same other than changes to Medicaid savings, from \$935,000 to \$400,000-\$450,000.

The agenda is as follows:

2007 Legislative Agenda

Funding

1) County Share of Medicaid – As with the 2006 Agenda, one of our top funding priorities will be permanent relief from the County's portion of Medicaid. As a result of the one time relief measure passed this year, Catawba County estimates a savings of approximately \$935,000 that will be spent on one time expenditures.

2) Local Revenue Options – For several years, we have worked to secure additional local revenue options for counties. We were unsuccessful in gaining any new local revenue options as a result of the General Assembly Short Session. An example is H947, which included Catawba County and would have granted us authority to levy an additional one-cent sales tax. We recommend the pursuit of additional local revenue options for all counties to provide flexibility in funding options to address county needs, such as school infrastructure and/or jail expansions.

3) Child Care Subsidies Funding - Contained within the budget this year was a nominal amount of additional funds for child care. This resulted in \$60,000 and \$70,000 for Catawba County. The County has a waiting list for daycare and funds are running low. These additional funds will assist in this regard; however, we recommend counties continue to pursue additional funding next year.

4) Child Welfare Services and Federal Reconciliation Budget - We sought additional funds in both of these areas in the 2006 Short Session of the General Assembly, to alleviate local funding requirements to make up for revenue shortfalls as they relate to the federal budget. We are not aware of any additional funds that have been dedicated for either of these items. Therefore, it is our recommendation that we pursue additional funding in 2007, especially in the light of the fact that the programs related to Child Welfare Services and Temporary Aid to Needy Families (TANF) are required by the State.

5) Additional State Aid to Libraries – It is recommended that new funds be appropriated to fund libraries. A nominal amount was appropriated for all libraries in 2006, \$830,248. Additional funds are requested to better fund libraries next year.

Policy

Emergency Services

1) E911 Databases – Presently, 911 service providers are required to purchase services from Bell South and Intrado to link telephone numbers to addresses and make 911 systems effective. For communities that utilize citizens alert notification systems, the telephone companies have required the purchase of essentially the same data service at the cost of several thousand dollars per month. Catawba County recommends the introduction of legislation that would prohibit the telephone companies from charging for this same data service as communities are already paying once for the information to make 911 systems effective.

2) Non-Emergency Transport by Private Providers – (S1357 – 2006) – In the 2006 session a bill was introduced that would authorize the transport of patients in non-emergency situations by private parties, such as pre-approved trips between doctors' offices or hospitals. The bill as written created three issues for Catawba County. First, it was inconsistent with the existing Office of Emergency Medical Service (OEMS) rules regarding an EMS system. Each provider operating within a county is part of that system. If a private provider comes into Catawba County and operates we lose control and have no ability to regulate standards thus reducing the quality of service. Second, it violated the County's Franchise Ordinance, which was developed to assure we had the ability to regulate the quality of care provided to our citizens. If we allow private providers to come into our County we lose the ability to regulate what and how they charge. Third, loss of revenue would result if this bill were passed. We currently are making money from our specialty services. The non-emergency calls are guaranteed payment. The revenue gained, approximately \$700,000, by this service helps offset the losses we take on the emergency services we provide. Private providers are supportive of the bill so they can increase their area and profits without regulation of the local system. If they are allowed to take revenue out of our County the cost of providing Emergency Services will go up increasing the demand on the general fund. Catawba County recommends that NCACC monitor this bill in the event it resurfaces in the 2007 General Assembly, and if it does, it is recommended the Association oppose the bill.

3) Funding of E911 Emergency Telephone Services and Use of Fees Collected (H 1338 – 2006) - The Board of Commissioners supported an expansion of the uses of E911 funds from call-in to call-out. The bill was expanded previously to remove the requirement that the telephone companies pay E911 fees, which was not supported by Catawba County. We recommend the NCACC continue to watch this bill because, although we agree that the definition should be expanded, we do not agree fees should be eliminated. It is recommended that we continue to pursue expansion in the 2007 General Assembly; however, we think the bill should be defeated if there is movement to eliminate funds by the telephone companies.

Finance

4) Exempt Sales Tax on Local Government Purchases – The 2.5¢ sales tax refund for schools was restored. The 4.5¢ sales tax was not restored and, therefore, it is recommended that the NCACC support restoring that amount. If school systems are required to pay the State sales tax, they may seek additional funding from counties in the long run to offset this loss of funding.

5) Builders Inventory Bill (H648/S508 – 2006) - The bill would exempt from taxation the increase in value attributable to improvements in property prior to sale. We estimate this would be costly to Catawba County in the amount of \$490,000 annually. The bill was referred to committee in March. It is recommended that we watch in the event this bill resurfaces in the 2007 General Assembly, and if it does, it is recommended that the Association oppose the bill.

Utilities and Engineering

6) Electronic Waste Recycling and Taxation (H1765/S1030 – 2006) - The bill would require that consumers pay a nominal tax when purchasing electronics items, similar to the White Goods Tax that exists today. Catawba County supported the bill last year. The bill was referred to committee in May. It is recommended that the Association pursue passage of the bill in the 2007 General Assembly.

7) Clean-up of Abandoned Mobile Homes (H1288 – 2006) - The bill would establish an advanced disposal fee on the sale of new and used manufactured homes, with the money going toward the removal and destruction of existing, abandoned structures. Catawba County supported the bill last year. The bill was referred to committee. It is recommended that the Association continue to pursue passage of this bill in the 2007 General Assembly.

8) Statewide Solid Waste Disposal Tax (H1769) - The bill would institute a \$2 per ton tax on solid waste with the intent of using proceeds to remediate old, closed landfills statewide. Catawba County has remediated its landfills and, therefore, the Board of Commissioners was opposed to this additional tax. Related to this item was an additional bill that surfaced during the session concerning a moratorium on opening new landfills. Catawba County worked diligently to make some changes to this bill. We were successful in that a change allowing existing landfills to be expanded was included in the final version of the bill. However, the bill also authorized that a study commence relative to solid waste, to be conducted by the Environmental Review Commission with the assistance of the Division of Waste Management of the North Carolina Department of Environment and Natural Resources. Based on the fact that the study will commence, we need to watch to make sure that the solid waste disposal tax is not included. We are under the impression that it will be discussed and, therefore, recommend that we watch this study as it unfolds to make sure our interests are protected in this regard.

9) Clarification of Industrial Machinery from Building Inspection (UL) – Support a bill to clarify that industrial machinery, which is not affixed to part of a building or structure, is not subject to a building inspection. North Carolina is unique among states with which it competes regularly on economic development projects in requiring this type of inspection. This puts North Carolina at a competitive disadvantage and has resulted in the loss of prospects for our state. This regulatory scheme is duplicative of OSHA safety inspections and in violation of the principle that OSHA cannot be preempted in its role in regulating workplace safety. Inconsistent enforcement through the state has led to confusion and a lack of predictability for manufacturers as to this requirement. Other associations such as NCEDA, NCBIO, Electricities, NCLM and others are anticipated to support this statutory amendment as local government should not shoulder this responsibility.

Ms. Daley then requested that the Board to consider two pieces of special legislation. The first piece related to the sales tax and introducing legislation that would ask the General Assembly to consider a one cent sales tax increase. This one cent sales tax would yield about \$13 million for Catawba County revenue and it would avoid ten and one-half cents on the tax rate. Significant revenue will be needed for jail construction debt and operational costs, school construction and additional funds for teacher supplements. The other piece of special legislation relates to asking the General Assembly to allow the County to exceed the amount of money limitation that is placed on local jurisdiction to go forward with construction. The Utilities and Engineering Department has requested that the General Assembly consider this special legislation to allow the County to exceed that amount. Presently that amount is \$50,000 for labor or \$125,000 for everything – labor, materials, design. The request was for a special exemption for Catawba County to go up to \$800,000 for an extension to our landfill for construction and demolition. This would save the County approximately \$860,000 that would stay in the fund for the landfill. The remainder of the 2007 State Legislative Agenda was unchanged from the agenda approved on September 5, 2006, except for a change in the County's expected Medicaid savings, resulting from the General Assembly's passage of one-time relief from Medicaid costs for counties, from \$935,000 to \$400,000-\$450,000, which is the County staff's current estimate of the actual anticipated savings.

Commissioner Barger requested that the Champions of Education be advised of the proposed change as stated above. Mr. Lundy said he did not believe that the Champions of Education had taken up the matter since it first surfaced. He said staff had not gone back to the Chamber to convey this information. Commissioner Barger recommended a discussion with the Champions of Education regarding the recent findings. Ms. Daley said she would do this after the agenda was adopted. Commissioner Barger made a motion to adopt the State Legislative Agenda.

Ms. Daley then presented the Federal Legislative Agenda and made some updated recommendations to the materials that had previously been provided to the Board. After determining that there would be

no earmarks considered in at least the first part of 2007 and most likely for all of 2007, staff recommended pursuing funding locally through grants for some of the items that previously appeared on the 2004, 2005 and 2006 agenda, including a Public Health Dental Clinic, and a Regional Biosolids Processing facility. It was recommended that the Public Safety Training and Education Complex be looked at further prior to pursuing any funding. This was due to the fact that Burke County is constructing a similar facility and the Complex was considered a regional project. Because of this change regarding earmarked funds, it was recommended terminating the County's contract with its lobbyist at this time. It was further recommended the Board continue to work with the U.S. Environmental Protection Agency and other related parties, including Federal officials, to continue to determine particulate matter abatement strategies that can be implemented in Catawba County to lift the county's current "non-attainment" designation, and continue to advise Federal officials regarding the Federal Energy Regulatory Commission's relicensing process for Duke Power's Catawba-Wateree river hydroelectric system, and to forward to them pertinent information as it becomes available. Ms. Daley stressed that Representative McHenry's office had been very responsive to the County. The agenda is as follows **(note the above changes to what follows as they relate to seeking funding as a result of the status of earmarks and the cancellation of the County's contract with its lobbyist):**

1. Item – Public Health Dental Clinic – The goal and scope of this project is to expand the current Health Department building; so a facility is created that can be the service site for an expanded Public Health Dental Practice: one that can end the problem of access to dental care for 13,000 Medicaid eligible and medically indigent children in Catawba County. The Catawba County Public Health Dental Practice currently serves 2000 children. The expanded facility will be capable of giving an additional 11,000 children in Catawba County access to routine and timely dental care. No other dental provider is accessible to these children. Another important goal is to expand the Dental Practice "best practice" model so it can be replicated in communities across the nation and the children and families in other communities can benefit from the many successes of the Practice.

Suggested Action – For a fourth year, the County will continue to pursue funding for this important project at the Federal level through a direct earmark. In addition, it is recommended we start to work on the local level to secure funds from other sources.

2. Item – Public Safety Training and Education Complex – As the Hickory Metropolitan Area become increasingly urban, the need to provide community protective services has also grown. The managing, directing, training and educating of public safety providers are multi-faceted. In the past, training was done strictly within the various organizations. Today, as the communities of the Hickory Metro have grown closer together, public safety training and education must become more sophisticated and coordinated to include all agencies that provide life safety services to the communities of the area.

There is no facility to provide comprehensive and coordinated public safety and life-safety training in a comprehensive manner that combines classroom and field exercises in a realistic setting in Western North Carolina. Our objectives are to design and construct a regional training facility, define the facility's components that shall address and incorporate the essential training facility requirements in delivering vital programs, and to develop coordination within and among the region's various public and private safety agencies. A feasibility study was conducted in 2005, which concluded that the construction of the complex was a viable venture.

Suggested Action – For a fourth year, the County will continue to pursue funding for this important project at the Federal level through a direct earmark. As \$150,000 was earmarked in the Department of Justice budget in 2005, the request will focus on the additional funds needed to fully design the facility. In addition, it is recommended that we work with our partners, the City of Hickory and CVCC, to explore new ways to fund this project.

3. Item – PM 2.5 – The "non-attainment" designation was placed on Catawba County at the end of last year. Although there is now a second monitor in Catawba County, it is not expected that our readings will dip below the EPA PM standards in the near future.

Suggested Action – It is the desire of County officials to work with the EPA and other related parties, both Federal officials and our lobbyist, to continue to determine PM abatement strategies that can be implemented in Catawba County to lift the “non-attainment” designation.

4. Item – Regional Biosolids Processing Facility – Catawba County is currently a member of the Hickory Regional Sludge Consortium along with the cities of Hickory and Conover, which owns and operates the Regional Sludge Composting Facility. Constructed in 1990, the Regional Sludge Composting Facility is located in the Fairgrove Business Park in Hickory. Since beginning operation in 1990, the facility has experienced odor and other operational problems. Subsequent upgrades have resolved most of the operational problems although operational costs remain high. Further development of the industrial park is also somewhat hampered by the presence of the Regional Sludge Composting Facility. Catawba County is interested in providing an alternative biosolids management option to the members of the Hickory Regional Sludge Consortium, as well as other municipalities in Catawba County and neighboring counties, that reduces costs, improves the marketability of the Fairgrove Business Park, and takes advantage of numerous synergies with existing and planned facilities in and around the landfill property.

Suggested Action – It is the desire of County officials to work with the EPA and other related public and private parties, including Federal officials and our lobbyist, to secure funding through grants to complete the proposed project. In addition, it is recommended we work to secure funds at the local level, through other sources, to move the project forward.

5. Item – FERC Relicensing – In 2008, Duke Power’s current license to operate the “Project” of 13 hydroelectric stations and 11 reservoirs on the Catawba-Wateree River expires. The license sets the conditions for operating the Project and ensures that equal consideration is given to non-power production benefits including cultural resources, water quality, water supply, recreation, and fish and wildlife habitat enhancement and protection.

The Federal Energy Regulatory Commission (FERC) issued the original license in 1958, as Duke Power was preparing to construct the 11th and largest reservoir – Lake Norman. A new license will be granted for 30-50 years. The Agreement in Principle was executed and given to Duke this year.

Suggested Action – It is the desire of County officials to continue to advise Federal officials and our lobbyist of the FERC relicensing process and to forward to them pertinent information as it becomes available.

Chair Barnes asked for a motion to adopt the report and to terminate the contract with the lobbyist. Commissioner Barger made the motion. The motion carried unanimously.

b. Reinventing effective January 15, 2007:

Section II F of the 2005-2006 Budget Ordinance states: “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.”

Under this provision of the Budget Ordinance, the following personnel change has been made to Social Services’ budget:

Outpatient Therapist

The responsibilities of the Therapist at Family NET include providing the counseling and treatment for Intensive In-home Services Program to children with mental illness/substance abuse and their families in order to avoid out of home placements. The employee will serve as Team Leader. The Medicaid funded work has a waiting list of seven families as the current team’s workload is at capacity.

Social Worker II

Clinician will provide intensive in home services to children with mental illness/substance abuse and their families to avoid out of home placement or to assist with step-down from a more restrictive placement by strengthening family relationships, assisting parents in being able to avoid future crisis situations, by teaching more effective parenting skills and connecting the family with community resources. There is no local cost to either position.

11. Attorneys' Report. County Attorney Debra Bechtel reported to the Board that File #2006-1506 – Heather Sizemore vs. Catawba County had settled.
12. Manager's Report. County Manager Lundy requested the Board consider a closed session pursuant to General Statute 143-318.11(a)(6) for the personnel exception. He did not anticipate any public action after the closed session. Vice-Chair Beatty made a motion to move into closed session. The motion carried unanimously. The Board moved into closed session at 7:55 p.m.
13. The Board returned to open session at 8:09 p.m. Vice-Chair Beatty made a motion to adjourn at 8:10 p.m. The motion carried unanimously.

Katherine W. Barnes, Chair
Board of Commissioners

Barbara E. Morris, County Clerk