

MINUTES

LENOIR COUNTY BOARD OF COMMISSIONERS

January 23, 2014

The Lenoir County Board of Commissioners met in open session at 4 p.m. on Thursday, January 23, 2014, in the Board of Commissioner Main Meeting Room in the Lenoir County Courthouse at 130 S. Queen St., Kinston, NC.

Members present: Chairman Craig Hill, Vice-Chairman Jackie Brown and Commissioners, Mac Daughety, Reuben Davis, Eric Rouse and Linda Rouse-Sutton.

Mr. Roland Best was away at a NCACC training session. Upon a motion by Ms. Sutton and a second by Ms. Brown, Mr. Best's absence was excused.

Also present were: Michael W. Jarman, County Manager, Thomas L. Hollowell, Assistant County Manager, Martha Martin, Finance Officer, Robert Griffin, County Attorney, members of the general public and news media.

Chairman Hill called the meeting to order at approximately 4 p.m. Ms. Brown offered the Invocation and Mr. Rouse led the audience in the Pledge of Allegiance.

PUBLIC INFORMATION:

Mr. Lyle Holland, Dr. Charles Herring and Mr. Jim Gaddis were in attendance to present a proclamation honoring Richard Caswell Gatlin. Mr. Gaddis read the proclamation which highlighted many of the accomplishments of Kinston's only Confederate General. Mr. Gatlin was the grandson of North Carolina's first Governor, Richard Caswell and grew up on East Bright Street in Kinston. From there he attended New Bern Academy, attended the University of North Carolina and graduated from the U.S. Military Academy at West Point in 1832. He participated in the Black Hawk War, Second Seminole War, the Mexican War and the American Civil War. Mr. Gaddis said this proclamation was to become a part of Lenoir County's permanent records.

Mr. Dean Horne of Carr, Riggs and Ingram, LLC.,(formerly Pittard Perry & Crone) addressed the audience and presented the FY12-13 audit of Lenoir County to the Board. He highlighted the four separate audit reports and said all four reports give an unqualified opinion. Mr. Horne said the General Fund Fund Balance gives an indication of where the County stands, and due to expenditures being much less than budgeted, the appropriated fund balance used to balance the budget was much less than anticipated. He further explained the unassigned Fund Balance is one of the benchmarks the Local Government Commission uses to determine the financial stability of a County. The LGC requires each County to maintain at least 8% of unassigned Fund Balance in

their General Fund to cover unexpected situations. Mr. Horne said the General Fund contains the numbers citizens see on a daily basis through the services the County provides. He said the Solid Waste fund has a lot of assigned funds not readily available for expenses. Mr. Horne told the group if they had any questions concerning the audit, to feel free to call his office for further explanation. Chairman Hill commended the Department Heads and their staff for their good work through such difficult financial times.

Upon a motion by Ms. Brown and a second by Ms. Sutton, the FY12-13 audit was unanimously approved.

Mark Pope addressed the audience and introduced his new Economic Development Assistant, Amanda Conner. Mr. Pope stated Ms. Conner had come to the County from the public school system, where she had played an active role in Project Lead the Way, a part of the STEM program. He said Ms. Conner brings a lot of knowledge and excitement to the Economic Development Department.

Mr. Pope then passed out Confidentiality Agreements to all of the Commissioners, the County Manager, the Assistant County Manager and the Finance Officer. Mr. Pope said since there are some new faces on the Board, he felt it necessary to address the confidentiality issue. He said whenever he is in negotiations with companies who may be interested in locating in our area, he is bound by confidentiality agreements with those companies. Whenever there is a breach in confidentiality, State incentives and County incentives are lost. Mr. Pope emphasized the importance of good relationships with Commerce and the Governor's office and confidentiality is one of the areas essential to that relationship.

Chairman Hill said all of the commissioners have the form, and to sign it is a personal decision for each one. He encouraged each one to think about this important decision and remember, as part of the oath of office each one took, they swore to uphold those private disclosures.

Mr. Rouse asked Mr. Pope if he signed one for each individual project? Mr. Pope answered yes. Attorney Griffin said if any one of the commissioners are approached with questions concerning a possible new company, just refer that person to Mark Pope. Mr. Hill said there may be a time to make public comments, but that would come only after it has been disclosed it is okay to discuss. Mr. Jarman said it is a personal thing, but only the ones who sign may be in the meetings discussing the confidential information. Mr. Rouse deferred to Attorney Griffin if that was legal. Mr. Griffin said he would research the question.

Mr. Rouse said he had a problem with the blanket aspect of the confidentiality agreement. Chairman Hill said that was okay, and they would address that at a later time.

ITEMS FROM CHAIRMAN/COMMISSIONERS:

Commissioner Daughety told the group he had breakfast with Congressman McIntyre recently to discuss the River Walk project. Mr. Daughety said he gave the Congressman a brief background of the project, including the costs and current funding to see if he knew of any funds available to fill the funding gap. Mr. Daughety also said he was in the process of updating the map of the project area to include parcel labels, and will be forwarding a copy to Congressman McIntyre's Economic Development Director, as well as all other people involved. He said this was not a project that had been before the commissioners, but was an outreach of the City. Mr. Daughety said he wanted to discuss this at budget planning sessions, as he wanted to keep the County involved if they deemed it a priority. He said this was a topic that could be discussed at the joint budget meeting of the City and the County as well.

Mr. Daughety then informed the Board of the Hwy 70 Bypass issue. He said the Merger committee and folks from the Environmental Protection Agency will be looking at the alternate choice which will run behind Lowes. This potential route will be looked at along with the others. All of the northern routes have been taken off the table, which will allow Part C of the Harvey Parkway to move forward instead of having to wait approximately 10 years. Part C is a much smaller project and will more likely be funded much quicker. The current Hwy 70 Bypass plan keeps the route within a mile of the existing Hwy 70.

Mr. Davis asked if the shallow route of the Hwy 70 Bypass plan would have an impact on Lenoir Community College? Mr. Daughety said currently this 1,000 foot path is the corridor and until the route of the corridor is determined, they won't know the impact. He did say DOT will work with LCC to make things as painless as possible. Chairman Hill said last year the commissioners adopted a resolution choosing a northern route and that had been tossed out. He said DOT needs to move with caution and share information as it becomes available, because there will be both private and public concerns. Mr. Hill also stated at some point in time it will be out of the commissioners' hands and will be solely in the hands of DOT. Mr. Daughety said DOT will be looking at each of the proposed corridors and the impact of each. He said one route that had been considered would have begun at Tidewater on Hwy 70 West and would tie in at Kennedy Home, but due to the impact on Kennedy Home, this route was being moved away from Kennedy Home. Mr. Daughety said if the shallow corridor route would have an impact on LCC, DOT might consider alternatives. He said this would depend on the analysis of impact and the feedback from public meetings.

Mr. Daughety advised everyone to attend the public meetings and ask questions. He said it was DOT's goal to make the corridor least invasive as possible and DOT would make modifications as they move forward. Mr. Daughety reiterated the importance of public input and said there would be two more public hearings to allow for public input. Ms. Sutton said, as the County's liaison to Lenoir Community College, there is concern about the land the college has been able to acquire for future use being taken for the bypass project. She said the college was currently

building a structure to be used for Emergency Services training. Ms. Sutton said the president of the college had instructed his board to be proactive in protecting the college's land. Mr. Rouse said no one ever wants to give up their land, but it ultimately impacts someone. Mr. Daughety said the shallow route currently has the least environmental impact, but thinks some of its borders with Jones County may affect wetlands. Chairman Hill encouraged everyone to stay on top of this project.

Commissioner Rouse mentioned he had noticed at the Solid Waste drop off sites there were signs saying no weapons allowed. He said he thought the commissioners had passed a resolution allowing citizens, who had a concealed weapon permit, to be able to carry concealed weapons on any property. Mr. Rouse said he would like to see those signs come down. Chairman Hill asked if it was legal to take the signs down and could they as commissioners, make an exception to one area. Mr. Jarman said his understanding of the new law meant if the sign is there, then a person could not have the concealed weapon on his/her person, but could lock the weapon in his/her vehicle. Mr. Jarman asked Sheriff Hill if this was correct. The Sheriff said he thought that was correct. Mr. Rouse stated again he would like to see the signs removed, since the only person you were preventing from carrying a concealed weapon, was the honest person. Mr. Rouse made a motion to remove these signs from the drop off sites and the landfill. Mr. Daughety seconded the motion. Mr. Davis said he thought the commissioners should take this under advisement before moving forward. Ms. Brown made a motion to table Mr. Rouse's resolution until the next commissioners' meeting and Mr. Davis seconded that motion. The motion to table was unanimously approved.

ITEMS FROM THE COUNTY MANAGER:

1. Monthly Status Report: 2011 CDBG NC Catalyst Project
2012 CDBG Scattered Site Housing Assistance Project
2. Letter: December 18, 2013: NCDOT: Re: Secondary Road Construction Statement
3. Lenoir County Performance Summary 13-14: December 31, 2013
4. Lenoir County Inspections Report: December 2013
Lenoir County Inspections Report: January-December 2013
5. FY 14-15 Budget Calendar

Mr. Jarman said most of his information was in the form of reports and was there for the commissioners to review. He asked them to look at Item #5, which is the FY 14-15 Budget Calendar. He said there will be a budget planning session after the next commissioners' meeting on February 3rd in the conference room upstairs in the Administration Building. Mr. Jarman said

the purpose of this planning session was to meet and discuss the budget philosophy and to ascertain the priorities, goals and visions of the commissioners for the upcoming fiscal year. He asked the commissioners to think about the upcoming year and give constructive input as to what they want. Ms. Sutton said this meeting would be a good time to share any items they were concerned about or were passionate about. Mr. Jarman said he would like for all of the budget meetings to be productive and asked that any questions or concerns be shared, so they could be addressed. He said both sides of any issues need to be on the table.

Mr. Daughety said as an observation, the commissioners tend to be surrounded by Department Managers. He asked, unless specifically requested, they did not need to be in attendance so there could be open and honest dialogue. Chairman Hill said he thought there needed to be times when the Department Managers were present and times when they were not present, so there can be serious dialogue, but he still supports what the Department Managers do. He said he did not want to send a message to the Department Managers, that they as commissioners, don't want their opinion. Mr. Jarman said he would work toward that and he has no problem with it and he doesn't think the staff will have a problem with it. He did remind them; however, the Department Managers are instructed to be open and transparent. Mr. Rouse said it is transparent because the news media is there. Mr. Daughety said he just thinks the vision should be the commissioners' input.

CONSENT AGENDA :

3. Approval of Minutes: Regular Board Meeting, January 6, 2014.

Upon a motion by Ms. Brown and a second by Ms. Sutton, the consent agenda was unanimously approved.

BUDGET ORDINANCE AMENDMENTS/RESOLUTIONS :

Item No. 4 was a Budget Ordinance Amendment: Transportation Fund: Operations: \$11,650: Increase: Mr. Harper stated this Budget Amendment was to appropriate in FY 13-14 the funds to purchase software for CTS Trip Master. The actual funds were approved by the commissioners on February 18, 2013 for FY12-13, but the funds were not available until FY 13-14. The commissioners also approved the purchase with resolution #15 on January 6, 2014. This appropriates the funds in the year they were received. Upon a motion by Ms. Brown and a second by Mr. Daughety, Item No. 4 was unanimously approved.

Item No. 5 was a Resolution Authorizing the Purchase of Personal Property Tax Abstracts and Business Personal Property Abstracts: Perfection Business Forms & Systems: \$3,081. Mr. Parrish stated the Board is requested to approve the purchase of Personal Property Tax Abstracts and Business Personal Property Abstracts from Perfection Business Forms & Systems in the amount of \$3,081.08. He further stated these mailings are required by law. Upon a motion by Ms. Brown and a second by Ms. Sutton, Item No. 5 was unanimously approved.

Item No. 6 was a Resolution Approving the Purchase of L3 Mobile Vision Inc. In-Car Cameras: \$4,341.50. Sheriff Hill stated the Board is requested to authorize him to utilize Federal Asset Forfeiture funds in the amount of \$4,341.50 to complete the purchase of (4) four L3 Mobile Vision Cameras from L3 Mobile Vision, Inc. He stated these cameras are for patrol cars that currently do not have cameras. Upon a motion by Mr. Daughety and a second by Ms. Sutton, Item No. 6 was unanimously approved.

Item No. 7 was a Resolution Approving the Purchase of Twelve (12) In-Car Computers from Dell, Inc.: \$12,045.60. Sheriff Hill stated the Board is requested to authorize him to execute a purchase order with Dell, Inc. for the purchase of 12 In-Car computers at a total cost of \$12,045.60. Sheriff Hill said these are to replace computers that are no longer serviceable. Upon a motion by Ms. Sutton and a second by Mr. Daughety, Item No. 7 was unanimously approved.

Mr. Daughety asked the Sheriff how he might be able to put more deputies on the ground in the County to deter crime? He said he would like for the Sheriff to come back and talk about how to do that, and he emphasized he was not being critical. Mr. Daughety said he was just concerned about the home invasions, the increase in meth labs and the increase in robberies. He said the County may be in a different place now. Sheriff Hill replied ten more deputies would cost the taxpayers a million dollars the first year, then half a million every year thereafter. Chairman Hill asked that this discussion be reserved for the budget work session. Ms. Sutton said she would like to commend the Sheriff and his department for their recent work in the County. Sheriff Hill said crime is actually down from last year and all robbery cases have been solved except for the one that occurred yesterday. Mr. Davis said sometimes the implications are political and he thinks a request such as this should come from the Sheriff – he said he didn't think the commissioners should be trying to micromanage.

Item No. 8 was a Resolution Authorizing the Purchase of Dispatch Furniture: Wrightline: \$223,950.14. Mr. Dail stated the Board is requested to approve the purchase of new dispatch furniture for the Jones/Lenoir E911 Consolidation Project (JLECC): \$223,950.14. He stated these funds were coming from the E911 Fund Fund Balance. Upon a motion by Mr. Daughety and a second by Ms. Sutton, Item No.8 was unanimously approved.

Item No. 9 was a Resolution Approving a Lease/Purchase of CAD Equipment: De Lage Landen Public Finance, LLC: \$429,636.12. Mr. Dail stated the Board is requested to approve and authorize the EMS Director to execute a \$1 buyout lease-purchase agreement with De Lage Landen Public Finance, LLC, along with a Product and Service agreement and a statement of work agreement with Team IA at an annual lease amount of \$143,212.04 for three years, totaling \$429,636.12. Mr. Dail further stated the cost of technology is expensive and is constantly changing. He said because of both of these things, they were doing the lease purchase agreement. After the first initial payment from E911 Fund Fund Balance, this will become a yearly expenditure, and will be an eligible E 911 expenditure. Upon a motion by Ms. Sutton and a second by Mr. Daughety, Item No. 9 was unanimously approved.

APPOINTMENTS:

Item No. 10 was a Resolution Approving Citizens to Boards, Commissions, Etc. The following reflects existing vacancies and appointments.

<u>BOARD/COMMITTEE COMMISSION</u>	<u>APPLICANT/CURRENT MEMBER</u>	<u>TERM EXPIRATION</u>
US 70 Corridor Commission	Russell Rhodes Gordon Vermillion Bruce Parson Virginia Cox-Daugherty Johnny Craft Randy Brown Saleh "Sam" Youssef 2nd Appearance	
Nursing Home Community Advisory Committee	Ella Hall 2nd Appearance	
Home and Community Block Grant Advisory Committee	Audrey Tyson 1st Appearance	

Mr. Rouse nominated Russell Rhodes for the US 70 Corridor Commission. Mr. Daughety nominated Gordon Vermillion for the US 70 Corridor Commission. Ms. Brown made a motion to close the nominations and Ms. Sutton seconded the motion. The vote to close the nominations was unanimous.

Mr. Rouse said he would like to say he was not taking away from any one person, but he thought it was critical to pick fresh folks and not keep the same people on the various boards. Mr. Griffin asked about the procedure to vote and it was decided each person when directed, would call the name of the person for whom they are voting. Those votes are as follows:

- Mr. Rouse Russell Rhodes
- Ms. Sutton Russell Rhodes
- Ms. Brown Russell Rhodes
- Mr. Hill Russell Rhodes
- Mr. Davis Russell Rhodes
- Mr. Daughety Gordon Vermillion

By virtue of having the most votes, Mr. Russell Rhodes was chosen as the new representative on the US 70 Corridor Commission.

Ms. Brown nominated Ms. Ella Hall for the Nursing Home Community Advisory Committee and Ms. Sutton seconded the motion. The vote passed unanimously.

No action was taken on the Home and Community Block Grant Advisory Committee since this was the first appearance.

Chairman Hill asked about the US 70 Corridor Commission – he said it was his understanding, due to the change in the Commission’s bylaws effective December 31, 2013, all of the five seats are open for reappointment. He said he thought this had to be resolved prior to the March 30th meeting.

Mr. Jarman said all four current seats either have to be reappointed or filled. He said he had received a letter to that effect and had some concerns about what to do. Chairman Hill asked how that would be accomplished – one is a public seat and would require a 30 day posting of the opening. Mr. Daughety said in the new organizational structure, cities would have the option to buy a seat, which would give the cities three seats, one of which the commissioners would have to approve. He said they may want to wait and see if the cities want to buy in. Chairman Hill said he had read the bylaws which became effective, January 1st and said this brings back the concerns he has with all of the commissions. He said the commissioners still have the option to appoint one commissioner, the economic development director, and the City of Kinston’s seat – all of which can still be done without the City of Kinston or LaGrange buying a seat. Mr. Hill said another option is that the other open citizen seat can be left as it currently is, or could be opened up for a thirty day period for the ones currently on the list, and any others that may be interested, as well as adding Ms. McNairy . He then said the current open seat could be filled by another commissioner. Chairman Hill said all of the commissioners need to be on the same page, and asked Mr. Jarman if he would forward those new bylaws to all of the commissioners. Mr. Jarman said these bylaws were sent to the City of Kinston and the Town of LaGrange. He also said he forwarded them to Tony Sears on Friday and said the City would need to address this as well. Mr. Jarman said this was mentioned at the City Council meeting Tuesday evening and in the City’s discussions, they determined Brian Lucas was doing a good job as their representative so they reappointed him. Mr. Jarman encouraged the Board to think about the remaining positions and how they would like to move forward. Chairman Hill asked to table this for now and consider it at the next meeting.

CLOSED SESSION:

Upon a motion by Ms. Brown and a second by Ms. Sutton, the commissioners went into closed session at 5:23 p.m. “To discuss matters relating to the location or expansion of industries or other businesses in the area served by Lenoir County”.

OPEN SESSION:

Upon a motion by Ms. Brown and a second by Ms. Sutton, the commissioners came out of closed session at 5:38 p.m.

Economic Development Director, Mark Pope announced the 3rd expansion of Smithfield Foods in Lenoir County. Mr. Pope gave a brief history of the integral role Smithfield has played in the Kinston-Lenoir County community over the past decades. He stated, not only do they bring jobs

and economic investment to the community, they work as a partner within the community and schools. He said this new expansion will bring an additional \$16 million dollar investment to the County, and although this expansion does not bring any additional jobs, Smithfield currently has over 800 jobs in its new facility.

Item No. 12 Addendum was a Resolution Approving an Economic Development Grant Agreement with Smithfield-Kinston, LLC: \$390,000 Mr. Pope explained this agreement is entirely dependent upon Smithfield meeting all of the qualifications of the agreement, and if the criteria in the agreement are not met, then there will be no payout of funds. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 12 Addendum was unanimously approved.

Chairman Hill thanked Mr. Pope and his staff for brokering this deal with Smithfield and reiterated what an important community partner Smithfield had been over the years.

Mr. Daughety then brought up the confidentiality form issue again for discussion. He said he hoped by signing the form he would be able to know more about what is going on behind the scenes. Mr. Daughety said it was troubling to him the form was given to both the City and the County and the County's Board was the only one bound to sign the agreement. Chairman Hill said the issue comes back to why, and why does only one board sign? He said Mr. Pope is employed by the County and therefore neither the Board, nor Mr. Pope, has any control over the City and how they respond. Mr. Hill went on to say he sees the confidentiality agreement as important since there has been such a change in the Economic Development process, and he would like to see a unified Board. He said by doing so, this serves as confirmation of a process that would allow Mr. Pope to reestablish his place in this changing model. Mr. Hill further stated he actually doesn't want to know any information prior to an announcement, since this puts him at risk of possibly jeopardizing a project. Mr. Davis and Ms. Sutton agreed with Chairman Hill.

Mr. Jarman said he had discussed this issue with Mr. Pope, and the instructions were for both the City and County Boards to see the confidentiality agreement and the members of both boards sign the agreement. He said if the form was not signed, it was possible the one who didn't sign may not be allowed in meetings to discuss issues concerning a project. Mr. Rouse said that might not be legal. Mr. Jarman then said currently information is disclosed to the commissioners using a project name with some information. He said you only bring in outside parties as they made be needed, such as utility partners. Mr. Davis said if anyone knows any detailed information, then they are more likely to leak that information.

Chairman Hill said the question now is, if a person does not sign the confidentiality form, is it legal to prohibit them from attending a confidential meeting? Mr. Griffin said he would have to do some checking, but just considering the situation now, he doesn't think it would be legal. Mr. Hill said he had hoped by signing the form, it would afford the Board the ability to start fresh. Ms. Sutton said Mr. Pope is put in the same situation by the Department of Commerce. Mr. Hill said it is a matter of trust, and although he trusts all of the commissioners, there is human nature, and by that it

may temper what Mark brings back to them.

Mr. Daughety said ideally, he would like to see a joint City/County meeting and this issue be brought before all the members, since the majority of projects are joint partnerships. He said this would show all industries and the public our ability to work together. Mr. Hill said he appreciates the conversation and respects everyone's opinion, but he is disappointed.

Mr. Pope said today they all needed to celebrate Smithfield and not dwell on the confidentiality issue. He said Economic Development will not change, so far as incentives being used to bring in industries, and if the County moves sideways instead of forward, we stand to lose the trust that is currently shared with Commerce and the Governor's office.

Upon a motion by Mr. Daughety and a second by Ms. Sutton, the meeting adjourned at 6:01 p.m.

Respectfully Submitted,

Reviewed By,

Martha H. Martin

Michael W. Jarman

Clerk to the Board

County Manager