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BOARD OF COMMISSIONERS
REGULAR MEETING January 22, 2007

ALEXANDER COUNTY
STATE OF NORTH CAROLINA

PRESENT: W. Darrell Robertson, Chairman
 Wes Bolick, Vice-Chairman
 William L. Hammer
 Harold M. Odom

ABSENT: Larry G. Yoder

STAFF: Rick French, County Manager
 Jamie Starnes, Clerk to the Board

MEDIA: Micah Henry, The Taylorsville Times

The Alexander County Board of Commissioners held a regular meeting on Monday, January 22, 2007 in the Catawba Valley Community College / Alexander Center Multipurpose Room, Taylorsville, North Carolina. A quorum was present.

CALL TO ORDER

Chairman Robertson called the meeting to order at 6:00 PM.

RECOGNITION OF FIRE FIGHTER

Chairman Robertson announced that Gary Elder, fire fighter with the Sugar Loaf Fire Department, had passed away over the weekend and he asked that everyone remember this family in their prayers.

INVOCATION & PLEDGE OF ALLEGIANCE

Commissioner Bolick gave the invocation and also led the Pledge of Allegiance to the Flag.

COMMISSIONER'S REPORT

Rick French, County Manager, stated that the N.C. Housing Finance Agency had announced that Alexander County had been conditionally approved to receive a 2007 Single-Family Rehabilitation Program grant in the amount of \$315,818. He also stated that Alexander County had received \$1.4 million in CDBG and Rural Center grants for the sewer project in Hiddenite.

Commissioner Hammer stated that the N.C. Department of Transportation would be holding meetings on January 30, 2007 at the Hiddenite Elementary School cafeteria and January 31, 2007 in Room 103 of the CVCC / Alexander Center to receive comment from citizens regarding needed road projects in the next 25 years. He felt these meetings would allow for an opportunity to discuss the Highway 127 bridge incident and the need for another bridge as well as road repairs and other needed projects. He encouraged staff and citizens to attend the meetings which were scheduled from 6:30 PM to 8:00 PM.

ADOPTION OF AGENDA

Commissioner Odom made a motion to adopt the agenda as presented. Commissioner Hammer seconded the motion. The Board voted unanimously in favor of the motion.

EXISTING INDUSTRY RECOGNITION PROGRAM

Jason Williams, Existing Industry Specialist, introduced Dale Starnes, President of Taylor King Furniture. He informed the Board that Taylor King had been in operation for 33 years and was one of the top 10 largest employers in Alexander County.

Mr. Starnes discussed the beginnings of Taylor King Furniture as well as its current production. He stated that their product line was divided into 3 categories including Taylor King (import frames, leather and motion seating), Kings Road (limited entry level product), and Taylor King Occasional (small import occasional product) and he noted that the company had 180 employees. He explained how the company integrated sleeper sofa and leather products into its market and also mentioned that Taylor King opened a new show room in High Point in April 2002. Mr. Starnes briefly highlighted the number of fabrics, leathers, wood finishes, and extras offered by Taylor King as well as their ability to customize products for clients.

Commissioner Robertson inquired as to how many employees had been added to the Taylor King facility in the last 5 years. Mr. Starnes replied that approximately 25 new employees had been hired during that time frame.

Commissioner Bolick asked about the pay scale as well as the problem with finding experienced upholsterers. Mr. Starnes replied that Taylor King had been able to provide bonuses to employees for the last 3 years. He also stated that Taylor King was offering upholstery training for younger employees in response to the need for experienced upholsterers.

Commissioner Hammer mentioned that the Board had requested the N.C. Department of Transportation to widen Highway 16 South to a 3-lane highway to Alspaugh Dam Road for some

time. He felt that Mr. Starnes or a representative from Taylor King should attend one of the N.C. Department of Transportation meetings mentioned earlier to emphasize the benefits that a 3-lane highway would provide to his and other companies in the area.

The Board thanked Mr. Starnes for attending and providing an update.

NCACC LEGISLATIVE CONFERENCE REPORT

Commissioner Hammer stated that he and Rick French, County Manager, attended the N.C. Association of County Commissioners Legislative Goals Conference in Pinehurst on January 11-12, 2007. He explained the process of developing legislative goals and noted that the goals to be lobbied for this year included:

1. Medicaid relief – Seek permanent relief for counties.
2. School Construction – Support legislation to provide state assistance to meet school construction needs caused by increased enrollment and mandated reduction in class size through a statewide referendum on a bond issue and / or through authority for counties to raise additional revenues to meet school facility needs.
3. Revenue Options – Seek legislation to allow all counties to enact any or all of several revenue options from among those that have already been authorized for any other county, including local option sales taxes, impact taxes, and real estate transfer taxes.

Commissioner Robertson pointed out that Alexander County's cost for Medicaid, including the cap enforced this past year, totaled \$1.7 million or about 8 ½ cents on the tax rate.

LAND & WATER CONSERVATION STUDY COMMISSION REPORT

Commissioner Hammer stated that a Land & Water Conservation Study Commission had been established to consider funding options for the conservation of land, water, and historic sites in North Carolina at a cost of \$1 billion. He explained that the funding options included earmarking of sales taxes, personal income surtaxes, excise taxes on conveyances, statewide building permit fees, landfill tipping fees, water usage fees, statewide occupancy taxes, and statewide meals taxes.

Commissioner Hammer stated that, as a farmer, he was in favor of land preservation; however, he noted that there were too many unanswered questions regarding this proposal and he felt more research should be conducted before this plan was put into affect. He stated that the abovementioned funding options could create a burden for tax payers. He also mentioned that there were many other needs in the state including water and sewer, school construction, and roads that should be considered before land preservation. Commissioner Hammer stated that the NCACC was lobbying against this proposal on behalf of counties.

Commissioner Hammer pointed out that County staff had been informed about this proposal through Farm Bureau Insurance and he found it upsetting that no one from the state had contacted counties. He asked that County staff prepare comments regarding this proposal to be forwarded to the Land & Water Conservation Study Commission.

HOUSING INSPECTIONS CHECKLIST

Sylvia Turnmire, Director of Planning & Development, presented an Unsafe Structures Checklist to be used by inspectors when investigating unsafe or dilapidated structures. She explained that this was being presented due to a request from Commissioner Bolick that the Board review the checklist before beginning the inspection and investigation process.

Commissioner Bolick asked if citizens would need to submit a complaint form for an investigation to take place. Ms. Turnmire replied that a complaint form would be required and she noted that the County Attorney would be reviewing the current form before any investigations took place.

Commissioner Robertson suggested a possible work session between the Board of Commissioners and Planning & Inspections staff before this new process officially began.

ECONOMIC DEVELOPMENT ANNUAL REPORT

David Icenhour, Economic Development Director, presented the 2006 Economic Development Report, which included the following information:

- Unemployment rate - 6% in 2004, 5.5% in 2005, and 4.8% as of November 2006 or 48th lowest of the 100 counties.
- Wage growth – increased by 3.6% from 2005 to \$496.
- Job growth – 755 jobs added since 1993 for a total of 10,561 jobs in the county, according to the Western Piedmont Council of Governments.

Existing Industry

- Jason Williams named as Existing Industry Specialist & Utility Development Director in July.
- Visited 37 of the 45 manufacturing operations in the county and sent literature to remaining 8.
- Executives from 6 companies made presentations to the Board of Commissioners through the Industry Recognition Program.
- Grant funding received from the N.C. Department of Commerce, N.C. Rural Center, and Appalachian Regional Commission to provide sewer to Craftmaster Furniture, Mitchell Gold + Bob Williams, and Paladin Industries as well as water lines along Craftmaster Road.
- Participated in joint project with CVCC to establish a Furniture Training program.

- \$1.4 million obtained for local industries in 2006, an increase over the \$835,372 obtained in 2005.

Industrial Recruiting

- Industrial Timber from Cornelius moved to Alexander County bringing 42 jobs.
- Liberty Reload began in the Alexander Industrial Park bringing 6 jobs and enhancement to the entrance of the Industrial Park.
- Worked with Alexander Railroad in enhancing the Industrial Park and achieved designation as a “certified site.”
- Responded to 6 serious inquiries about locating to Alexander County with proposals including costs for land, grading, utilities, etc. and incentive offers.
- Launched first independent website in 2006.

Other Activities

- Attended educational session for Alexander County bankers regarding the U.S. Small Business Administration’s 504 Loan Program.
- Attended first session of the Economic Development Institute at the University of Oklahoma.
- Jason Williams graduated from the Basic Economic Developers Course in Chapel Hill.
- Finalized process of establishing the Alexander County Economic Development Corporation non-profit corporation.

2007 Plan of Action

- Begin fundraising efforts for 501(c)3 non-profit organization.
- Continue existing industry efforts and consider special events such as an Industrial Appreciation Day.
- Implement Furniture Training Program in conjunction with CVCC.
- Complete the Hiddenite Industrial Sewer Project in conjunction with WPCOG and Town of Taylorsville.
- Establish County-owned industrial site and work toward construction of new speculative building.
- Recruit at least 3 new employers to county offering full-time positions with benefits and wages equal to county average.
- Continue to monitor number of identified available industrial properties and post on Charlotte Regional Partnership, N.C. Department of Commerce, and County websites.
- Monitor Revolving Loan Fund and begin repayment process for current loans.
- Continue working with Charlotte Regional Partnership and N.C. Department of Commerce for rural county industrial recruitment efforts.

The Board thanked Mr. Icenhour for his report.

INTER-BASIN TRANSFER UPDATE

Rick French, County Manager, informed the Board that the N.C. Environmental Management Commission approved a certificate on January 10, 2007 to allow the cities of Concord and Kannapolis to draw up to 10 million gallons of water daily from both the Catawba and Yadkin River Basins. He stated that a meeting would be held on January 25, 2007 at the Hickory City Hall to discuss a possible appeal and lawsuit and he noted that approximately \$158,000 had been raised to aid in the legal costs associated with litigation.

BOARD APPOINTMENTS & REAPPOINTMENTS

Commissioner Hammer informed the Board that a commissioner representative was still needed on the Western NC Caucus, WPCOG Policy Board (Alternate), Future Forward Economic Alliance, and the WPCOG Air Quality Oversight Committee. The Board agreed to discuss these appointments upon the return of Commissioner Yoder.

BUDGET ORDINANCE AMENDMENTS #28 - #30

Rick French, County Manager, discussed the purpose of Budget Amendments #28 - #30, which included the following information:

Budget Amendment #28 – To increase the Sheriff’s Department budget for the purchase and installation of equipment for a drug dog with funds from state shared assets. To increase the Animal Control budget for donations received to fund the following items: washer / dryer, temporary cat enclosure, programs to increase pet adoptions, supplies to correct ventilation problems in kennel area. To increase the Senior Center budget to provide a local match for FY 2007 Operations Grant funding. To increase a transfer to the Capital Improvements Fund for computer / technology purchases.

Budget Amendment #29 – To increase a transfer from the General Fund for computer / technology purchases.

Budget Amendment #30 – To appropriate \$1,970,000 to the Hiddenite Industrial Water and Sewer Project through a N.C. Department of Commerce CDBG grant, N.C. Rural Center grants, an Appalachian Regional Commission grant, and a local match of \$100,000.

Commissioner Hammer made a motion to approve Budget Amendments #28 - #30. Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

OTHER BUSINESS

Rick French, County Manager, discussed the following issues during Other Business:

- A. Chairman Robertson, Commissioner Odom, and Clerk to the Board Jamie Starnes will be attending the Essentials of County Government session on January 24-26, 2007 in Hickory.
- B. The Annual Chamber of Commerce Banquet is scheduled for Thursday, February 1, 2007 at the Alexander Central High School Auditorium and Cafeteria.
- C. Patti Gahagan, Animal Control Supervisor, has proposed a couple of changes to the Animal Control Ordinance which deal with the Cruelty to Animals Section and with feral (wild) cats. Mr. French suggested holding a work session following one of the February Commissioners' Meetings to discuss the changes. The Board agreed.

CONSENT AGENDA

- A. Minutes from the January 8, 2007 Regular Commissioners' Meeting and minutes from the January 5, 2007 Legislative Luncheon.

Commissioner Hammer made a motion to approve the Consent Agenda. Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

ADJOURNMENT

There being no further business for the regular meeting, Commissioner Bolick made a motion to adjourn at 7:25 PM to reconvene in a work session. Commissioner Hammer seconded the motion. The Board voted unanimously in favor of the motion.

W. Darrell Robertson, Chairman

Jamie M. Starnes, Clerk to the Board

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BOARD OF COMMISSIONERS
WORK SESSION January 22, 2007

ALEXANDER COUNTY
STATE OF NORTH CAROLINA

PRESENT: W. Darrell Robertson, Chairman
Wes Bolick, Vice-Chairman
William L. Hammer
Harold M. Odom
Larry G. Yoder

STAFF: Rick French, County Manager / Jail Committee Member
Jamie Starnes, Clerk to the Board

The Alexander County Board of Commissioners held a work session regarding beer and wine sales at the Lowes Foods Store in Bethlehem following the adjournment of the regular meeting. Individuals present included Gary Sain, owner of the Bethlehem Village Shopping Center, Gerald Davis, Chairman of Merchants Distributors Inc., and Craig Moore, Lowes Foods.

CALL TO ORDER

Chairman Robertson called the work session to order at 7:40 PM.

LOWES FOODS DISCUSSION

Gary Sain discussed concerns with the profitability of the Lowes Foods Store in Bethlehem as well as the feasibility of keeping the store open without improved performance. He explained that many Bethlehem residents traveled to Catawba County to purchase groceries because they also wanted to purchase beer and wine. He felt that additional sales of beer and wine would increase revenue as much as 20% due to increases in the number of customers who would shop there because alcohol would also be available. Mr. Sain stated that retail sales and tax revenue that could be generated by the sale of beer and wine was going to Catawba County. He also stated that new families and businesses often based their decisions to locate to an area on the presence of a grocery store and he felt that the closing of the Lowes Foods Store would be detrimental to the shopping center and community.

Gerald Davis explained that relationship between Lowes Foods, IFH, and MDI. He also stated that he had personally spoken to many Bethlehem residents who admitted to traveling to Hickory to purchase groceries, mainly because they didn't want to make a separate stop for beer or wine when they could purchase them along with their groceries at another store.

Craig Moore discussed the financial state of the Lowes Food store which he reported was unprofitable. He stated that the number of customers was low compared to other Lowes Foods stores and he also mentioned that holidays or large sporting events did not create any additional customers for the Bethlehem store because many people purchased beer or wine for those occasions, sending them to Catawba County. He briefly discussed the investment involved in the store, monthly financial intake, and profits needed to break even and incur a profit.

Mr. Sain discussed options to approach the issue including annexation by the Town of Taylorsville and annexation by the City of Hickory. He informed the Board that the Town of Taylorsville could not annex areas more than 3 miles beyond the Town's limit; therefore, he felt that asking the City of Hickory to annex only the shopping center property would be the best approach.

Commissioner Robertson stated that there were 2 more options available including the incorporation of Bethlehem as a town or a township vote on beer and wine sales allowed by general statutes. The group discussed the requirements for incorporation of a town as well as pros and cons associated with each option mentioned. There was also some discussion regarding the efforts to incorporate Bethlehem which took place several years ago. Mr. Sain felt that incorporation could still be an option if the area to be incorporated were smaller than what was proposed last time.

Commissioner Robertson suggested Mr. Sain identify if there was any interest in the Bethlehem community to incorporate while County staff acquired information and requirements from the NCACC for incorporation. He stated that if there was no interest to incorporate, other options could be explored.

Rick French, County Manager, mentioned that County staff would need to be informed of findings regarding the interest in incorporation as soon as possible because a bill would need to be introduced in the General Assembly very soon.

ADJOURNMENT

There being no further discussion, Commissioner Hammer made a motion to adjourn at 8:50 PM. Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

W. Darrell Robertson, Chairman

Jamie M. Starnes, Clerk to the Board