The Cleveland County Board of Commissioners reconvened their regular meeting of January 15, 2013 on this date, at the hour of 5:00 p.m., in the County Commissioners Chamber of the Cleveland County Administrative Offices.

PRESENT:  
Ronnie Hawkins, Chairman  
Jason Falls, Vice-Chairman  
Susan Allen, Commissioner  
Johnny Hutchins, Commissioner  
Eddie Holbrook, Commissioner  
Eddie Bailes, County Manager  
Andrea Leslie-Fite, County Attorney  
Kerri Melton, County Clerk  
April Crotts, Deputy Clerk  
Chris Green, Tax Administrator  
Chris Crepps, Finance Director  
Bill McCarter, Planning Director  
Jessica Pickens, The Shelby Star  
Other individual names on file in the Clerk’s Office

CALL TO ORDER

Chairman Hawkins called the meeting to order.

PUBLIC HEARING FOR UPPER CLEVELAND SPORTS COMPLEX

Denese Stallings, representative of the Upper Cleveland Sports Complex called this “a very worthwhile project.” There is still a shortage of recreational facilities in Upper Cleveland. The Upper Cleveland Sports Commission is continuing to raise funds. She thanked Commissioners for their support of the project.

Cleveland County has been chosen to submit a $200,000 grant to the Land Water Conservation Fund towards construction of the Upper Cleveland Sports Complex. The $200,000, if approved, can be used as a match towards a PARTF grant.

The Upper Cleveland Sports Commission is not asking Cleveland County to fund this project. To date, $100,000 has been raised. The project has been scaled down from a $1 Million project to an approximately $575,000 project. The group feels that if the citizens can see ground moving, it will show a commitment to the project and they can ramp up their fundraising efforts again.

Chairman Hawkins opened the public hearing (notice of this hearing was accomplished in accordance with the General Statutes in The Shelby Star on January 11, 2013).

Robert Williams, 814 E. Stagecoach Trail voiced concern that the presentation regarding this project was so short. “I don’t know what is going on.” From what I have heard, I don’t see any basis for this.
Chairman Hawkins explained the Commissioners have been working on this project for three years so they are well aware of the details. (Clerks Note: He discussed more about the project after the public hearing)

George Falls, 218 E. Stagecoach Trail spoke in support of the project. “I have been working on this project for three years. There is not much industry in this area. If we can get this started, we can raise more money. The Upper Cleveland County kids need a place to play.”

Hearing no other comments, Chairman Hawkins closed the public hearing.

Commissioner Holbrook confirmed with Ms. Stallings that the Upper Cleveland Sports Commission will raise the remaining funds needed for the project. “I think this is a great way to get things started without costing all of the taxpayers money. The kids deserve it.”

Commissioner Falls thanked the Upper Cleveland Sports Commission for their efforts. He suggested that they possibly partner with another group in the county who is working on fundraising for a playground that would be suitable for handicapped children.

Chairman Hawkins presented additional information regarding the project. “We started with a public meeting at Burns High approximately four years ago. We have partnered with the Town of Polkville and we purchased an additional twenty acres for this project. The project itself has been moving very slow but I believe until you get something started, people will not pitch in.”

**ACTION:** Jason Falls made the motion, seconded by Eddie Holbrook and unanimously adopted by the board, to approve submittal of a PARTF grant application for the Upper Cleveland Sports Complex.

**PATRICK SENIOR CENTER FUNDING**

At their December 11, 2012 meeting, Carl Elliott made a presentation to Commissioners regarding an expansion at the Patrick Senior Center in Kings Mountain. Mr. Elliott requested Commissioners commit $300,000 toward the project. During that meeting, Commissioners agreed to take action at their work session in January.

Mr. Elliott reviewed details of the project. The project has been in the planning stages for five years. The senior population is growing and is expected to continue to grow.

Mr. Elliott feels a partnership between the City and County is necessary to make this project a reality. “Cleveland County does an exemplary job of creating partnerships.” Mr. Elliott explained a fundraising campaign will follow after the county and city commitment.

Monty Thornburg, Executive Director of the Patrick Senior Center expressed the need for this expansion and appreciates anything the Commissioners are willing to do to make it a reality.

Chairman Hawkins made note of what he saw as the questions.
1. Do we want to enter into a partnership for construction of an addition to the Patrick Center?

2. For what total amount do we want to commit?

3. Over what period of time does the County want to pay the total commitment?

Commissioner Hutchins asked if the City of Kings Mountain has made a formal commitment to the project. Mr. Elliott feels comfortable that the City will commit $300,000 towards the project but the City will not do so without a conditional commitment from the County. The City of Kings Mountain is preparing for a $33 Million water and sewer upgrade. This project is having a very large impact on their budget. The City of Kings Mountain has not yet voted on funding for this project. “Without the County’s support, we cannot do it.”

If the County was to commit anything less than $300,000, very few furnishings could be purchased. A feasibility study completed by Mr. Elliott showed there is strong enough support from the community that he could raise $500-$600 from the community. The total project cost is $1.1 Million.

Commissioner Hutchins asked if the City has considered borrowing the money. Mr. Elliott explained the City would be borrowing money for the water and sewer expansion. Projects such as this have always been paid for without borrowing.

Commissioner Holbrook also suggested the possibility of the City getting a loan for the project. “It would be easier for the county to pay $50,000 a year rather than the $300,000 you are requesting at one time.”

Mr. Elliott said the City has offered for the county to spread their commitment out over three to four years.

Commissioner Hutchins voiced his concern with the City of Kings Mountain not taking the lead on this project. “It seems like the County has to take the lead on this.”

Chairman Hawkins stated he has had a conversation with the Mayor of Kings Mountain. The City does have the consensus of their board to commit $300,000. However, Commissioner Hawkins felt if the county doesn’t vote to commit to the whole $300,000, the project cannot happen.

Again, several Commissioners voiced concern with the County making a commitment prior to the City making any kind of commitment. 

**CONSENSUS:** It was the consensus of the board, **to come back before Commissioners after the City of Kings Mountain has taken action regarding the expansion at the Senior Center.**

**DESTINATION CLEVELAND COUNTY LEASE AGREEMENT**
On March 18, 2008, Commissioners entered into a lease agreement with Destination Cleveland County (DCC) for use of the Historic Cleveland County Courthouse. The agreement reads that the Earl Scruggs Center would be operational within 60 months (March 18, 2013). That is unlikely to happen.

JT Scruggs, representative of DCC explained an opening date cannot be set until an order can be placed for the rest of the furnishings needed to open the Center *(Clerks Note: See minutes of December 11, 2012 and December 18, 2012)*. DCC has been working diligently with USDA regarding a loan for the remaining funds needed to finish the project.

Mr. Scruggs explained, “I feel fairly strong after talking with EDA, if we can give them a firm date within a reasonable period of time, they will extend the grant.” DCC would like to open the Scruggs Center by year end. However, they will not know anything regarding the loan until approximately six weeks.

If DCC had the money in hand, Mr. Scruggs claimed it would take approximately six months to open.

Commissioner Holbrook commended DCC for exploring other sources of financing. From his experience, he understands that things cannot be done quickly. He also feels as though, if EDA sees an effort from DCC, they will extend the grant.

Commissioner Holbrook continued, "From a Commissioners standpoint, we need to be as cooperative as we can. If we legislate a timetable, it could come back from EDA in a negative way. I feel like they are being honest and upfront with us.”

Chairman Hawkins agreed that once DCC received their loan and talks with EDA, the date of the extension of the grant should be the date of the extension of the lease.

Commissioner Falls asked if there is any way the Center can open just to meet the criteria of the grant.

JT responded, there is a possibility to close the grant without the opening date. However, there is still $500,000 left to be paid by EDC. If DCC were to close the grant, they would be unable to finish the exhibit fabrication.

Commissioner Falls voiced his concern with not having a Plan B should the EDA grant not be extended.

**ACTION:** Johnny Hutchins made the motion, seconded by Susan Allen and unanimously adopted by the board, to extend the DCC lease ninety days from March 18th and ask that they come back and give Commissioners a firm opening date after EDA grant has been extended.

**CLEVELAND COUNTY SOLID WASTE MANAGEMENT PLAN**
Sam Lockridge, Health Services Coordinator, introduced Wayne Sullivan. Wayne Sullivan works for Municipal Engineering, the engineering firm who completed a fee study for the Landfill in 2010.

Mr. Lockridge wanted to discuss long term funding for the landfill. “I’m here to talk long term, 25, 45, 65 years down the road. When you build landfills, you have to cap landfills.”

He explained there are two enterprise funds at the Landfill. One is funded by tipping fees at the landfill. The other is funded by household fees. The household fees keep the convenience centers operational. In order to fund the landfill, Mr. Lockridge believes $1 Million needs to be put away per year for future expansion. “We understand any increase will affect the citizens. The household fees have not been raised in twenty two years.”

Mr. Lockridge presented a proposed fee schedule to Commissioners as follows:

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<th>Current Household Fees</th>
<th>24% Increase in FY 17-18</th>
<th>15% Increase in FY 18-19</th>
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NOTE:
IF THIS FEE SCHEDULE IS APPROVED BY THE CURRENT COUNTY COMMISSIONERS, THIS FEE SCHEDULE WILL BE PART OF THE 10-YEAR SOLID WASTE MANAGEMENT PLAN THAT WILL BE REVISED AND APPROVED EVERY THREE YEARS.

THIS FEE SCHEDULE WAS DEVELOPED BY THE SOLID WASTE STAFF USING THE PROPOSED FEE SCHEDULE THAT WAS DEVELOPED IN 2011. WE USED IN SOME CASES DIFFERENT PERCENTAGES BUT AT THE END OF THE FEE SCHEDULE THE TOTAL PERCENTAGES ARE THE SAME. WE STAGGERED THE RATE INCREASES IN THREE YEAR INCREMENTS FOR HOUSEHOLD AND TIPPING FEES.

THE $2.00 PER TON NORTH CAROLINA STATE DISPOSAL TAX WAS NOT INCREASED WITH THE TIPPING FEES. THIS TAX IS AN ADD-ON AFTER THE TIPPING FEE PER TON IS DETERMINED. THIS TAX ONLY EFFECTS THE WASTE THAT HAS BEEN LANDFILLED NOT RECYCLED. (IF YOU PUT IT IN THE GROUND IT'S A $2.00 PER TON TAX) THIS TAX IS SUBJECT TO CHANGE.

Mr. Lockridge recommended the proposed fee structure be included in the solid waste management plan. He asked Commissioners to consider this soon and explained the county will need to make municipalities aware of these changes in order for them to adjust their budgets.

CLEVELAND COUNTY FIRE DISTRICTS

Perry Davis with Cleveland County Emergency Management shared a map detailing the Class 10 Fire Insurance Districts in Cleveland County. The map included broke down the revenue brought in from each of the Class 10 areas.
Mr. Davis explained, “As you can see, there is not enough revenue to build a fire station in any of these areas or even purchase a truck.” North Carolina General Statutes require a fire station be built as well as two fire trucks.

The Fallston Fire Department is wishing to petition the residents in the Class 10 area around Toluca to see if there is any interest paying an increased tax rate in order to build a satellite fire station. They are suggesting that the fire tax in this area be raised to $0.10 per $100.

The City of Kings Mountain is reviewing a contract regarding the Class 10 area around York Road.

Emergency Management is working with the Lawndale Fire Department regarding the Class 10 Fire District located in the middle of the county. They think that a few changes in the lines will be able to get this area into a five-mile district.

The Waco Fire Department is continuing to look at relocating their fire station. Relocation of the station will give some of the residents in the Class 10 area around Waco an opportunity to be in a six-mile district.

Commissioner Hutchins wanted to make note that all citizens in the county do have fire coverage. The issue is with insurance ratings.

The area around York Road has been talked about for several months. Commissioners expressed concern with the fact that the issue has not been resolved.

County Manager Bailes met with the Fallston Fire Chief. The Chief is asking that Commissioners give them approval to survey the residents in the Toluca area.

Commissioners Hutchins expressed concern with the formula for distribution of fire tax money should the fire tax rate in that area increase. He asked that Emergency Management and the County Manager come up with a list of pros and cons to present to Commissioners before they make a decision whether or not to allow a survey to be conducted.

**MINIMUM HOUSING FOR MUNICIPALITIES**

At their November 20, 2012 meeting, the Town of Lawndale came before Commissioners requesting that the county assist them with enforcing minimum housing in Lawndale. Commissioners asked Bill McCarter, Planning Director, to poll the municipalities throughout the county asking how many others may be interested in the county’s assistance with minimum housing.

Mr. McCarter took a poll of the municipalities. He stated three towns (Boiling Springs, Lawndale and Earl) expressed an interest and a willingness to pay for minimum housing enforcement.

Commissioners asked if Isothermal Planning and Development Commission would be willing to enforce minimum housing in these municipalities. Mr. McCarter explained, Isothermal would have a
problem committing because there are so few cases per year. He felt as though there are ways to do this with the help of departments who may be underutilized at this time. He felt the most difficult thing would be determining the cost to charge for this service.

Commissioners advised Mr. McCarter to determine a cost for the county to enforce minimum housing for those municipalities who are interested.

**FY 2013/2014 BUDGET DISCUSSION**

County Manager Eddie Bailes spoke about the 2013/2014 budget. He described the upcoming budget as “challenging”. However, he was optimistic about the future. “We are seeing some increase in tax base, however there have been decreases in other areas of revenue.”

He spoke of several upcoming capital projects including:

1. Upgrade of the 800mhz communications system.
2. Health Department requirement to change to electronic medical records.
3. Increase of up to 10% in health insurance premiums.

Mr. Bailes main objective is to maintain current services. He asked Commissioners for feedback of priorities before the budget process begins.

Commissioner Hutchins asked if Federal Healthcare Reform is affecting the county. Manager Bailes responded by saying it is costing the county an additional $100,000 per year.

Commissioners reminded Mr. Bailes of the importance of including a pay raise for county employees in the budget.

**EXTENSION OF INCENTIVES FOR ECONOMIC DEVELOPMENT FUNDING**

Commissioner Holbrook has been looking at new revenue from economic development projects. He and others have been working hard to recruit new hotels to Cleveland County. One hotel chain in particular will be visiting again next week. He hopes that a decision will be made in the next six weeks.

He asked Commissioners to allow him and the County Manager to look at economic development and its relationship with the Chamber. He would like to look at how the Commissioners fit with funding of the Chamber and funding of Cleveland County Economic Development Partnership.

Last week Commissioner Holbrook met with several plant managers throughout the county as well as several Legislators. They discussed incentives and how they fit in. One plant manager confirmed the fact that, had it not been for incentives, this company would not have located to Cleveland County.

Commissioner Holbrook continued, “Our being aggressive has helped us. We have projects starting to produce revenue. It will not be as much as we thought all at one time, but it will help offset additional costs the county is having to incur.”

Chairman Hawkins stressed, “The important part is the creation of jobs.”
County Manager Eddie Bailes will be exploring the need for building economic development reserves. This was an idea that Commissioner Hutchins brought before the Commissioners in a previous meeting.

**INCENTIVES FOR SMALL BUSINESSES**

County Manager Eddie Bailes presented a draft program to Commissioners regarding incentives for small businesses. The purpose of the program is to encourage and support small businesses in Cleveland County.

The proposal included incentives based on the number of jobs created and the capital investment. Chairman Hawkins voiced concern with tying the number of jobs to the investment. Commissioner Hutchins asked that in the program, a note is made that this pertains to commercial properties. Mr. Bailes will present a revised program at a future meeting.

**GRANT WRITER POSITION**

Commissioner Falls asked that this item be added to the agenda due to the increase in the number of grants received by the county. “A lot of grants that are submitted are paid to be written and administered by consultants.”

Over the past couple of years, the county has had between fifteen and seventeen grants that they have paid an outside agency to prepare. The funding for grant administration has been paid from the grant proceeds.

Chairman Hawkins asked that Mr. Bailes come back to the board with a breakdown of how much the county has spent on grant administration over the last few years.

**RECESS TO RECONVENE**

There being no further business to come before the Board at this time, Johnny Hutchins made the motion, seconded by Susan Allen, and unanimously adopted by the Board, to recess to reconvene to January 29, 2013 to conduct a public hearing regarding economic development incentives for Project X-Cel. The next regular scheduled meeting will be held Tuesday, March 5, 2013 in the Commissioners Chamber.

____________________________________________
Ronald J. Hawkins, Chairman
Cleveland County Board of Commissioners

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Kerri Melton, County Clerk
Cleveland County Board of Commissioners