**MINUTES**

**September 28, 2010**

The Davidson County Board of Commissioners met at 7:00 PM, on Tuesday, September 28, 2010, in the Commissioners' Meeting Room, Governmental Center, 913 Greensboro Street, Lexington, North Carolina, for a regularly scheduled meeting.

PRESENT

Commissioners: Chairman Max Walser, Vice Chairman Sam Watford, Cathy Dunn, Billy Joe Kepley, Fred McClure, Larry Potts, Don Truell

County Manager Robert Hyatt, County Attorney Chuck Frye, Assistant County Manager Zeb Hanner, Deputy Clerk to the Board Debbie Harris, Human Resources Director Jim Tysinger, Health Director Layton Long, Purchasing Director Dwayne Childress, Davidson Works Director Cindy Livengood, Planning Director Guy Cornman, DSS Director Dale Moorefield, Assistant County Attorney Chris Watford, Veterans Services Director Boyd Morgan, Public Works and Services Director Rex Buck, Davidson County School Superintendent Fred Mock, Davidson County Schools Assistant Superintendent Jay Temple, Davidson County School Board Member Kenny Meredith, Davidson County School Board Member Carol Crouse, Barbecue Festival Executive Director Stephanie Saintsing, Finance Director Jane Kiker, Davidson County Economic Development Board Chairman Tommy Hedrick, Dean Vick, Todd Yates, Barney Hill, Dispatch Reporter David Bodenheimer, and Thomasville Times Reporter Erin Witgen.

A. CALL TO ORDER AND WELCOME

Chairman Max Walser called the meeting to order and welcomed guests.

B. INVOCATION

The invocation was led by Commissioner Fred McClure.

C. PLEDGE OF ALLEGIANCE

D. RECOGNITION

Chairman Max Walser recognized Dr. Mike Lanning representing the Thomasville Chamber of Commerce.

Commissioner Fred McClure recognized Dean Vick for his many years of service and his many years of service to Davidson County and the State of North Carolina. He noted his many accomplishments over the

years in his various places of employment, and noted that most recently Mr. Vick was the recipient of the North Carolina Order of the Long Leaf Pine.

E. REGISTER FOR PUBLIC ADDRESS

Chairman Max Walser noted the need for interested individuals to register for public address.

F. ADOPTION OF AGENDA

County Manager Robert Hyatt requested that an item regarding the I-85 Bridge Project be added to the agenda as Item J-7. Commissioner Billy Joe Kepley requested that Item J-2 be moved to the Informational Meeting of November 4, 2010, to provide additional time for the Board members to review the materials and research the issue. On a Point of Order by Commissioner Fred McClure on whether a Commissioner can move an agenda item that has been placed on the agenda at the request of another Commissioner, it was determined by County Attorney Chuck Frye that such could occur only if the item was not timely placed on the agenda. Upon inquiry of the Deputy Clerk to the Board, it was determined that this matter had been timely placed on the agenda.

On a motion by Commissioner Larry Potts and a second by Vice Chairman Sam Watford the Board voted 6-1 to adopt the amended agenda. Commissioner Billy Joe Kepley voted "no." (Exhibit 1)

G. PUBLIC ADDRESS

There were no individuals signed up to speak at public address.

H. PUBLIC HEARING

1. Project Z

Chairman Max Walser declared the public hearing open regarding Project Z.

County Manager Robert Hyatt addressed the Board and reported that he was standing in for Economic Development Director Steve Googe as he was attending the Town of Wallburg Council meeting. Mr. Hyatt requested that an incentive package for Project Z be approved and that the Company be entitled to a grant each year for five (5) years to be paid by Davidson County, provided the Company meets the requirements of the Contract as to investment, jobs and wages. He requested that the grant begin January of the first full year after the first full year of operation following the investment and that the calculation for payment of the grant be .0027 times the total investment in plant, machinery and equipment. The grant will not exceed $5,400.00 per

year. Mr. Hyatt reported that the Company plans to invest $2,000,000.00, and provide 20 jobs with an average hourly wage about that of the County average over the first three (3) years.

Barney Hill addressed the Board of Commissioners and spoke in favor of the economic incentive grant to Project Z.

Chairman Max Walser declared the public hearing regarding Project Z closed.

On a motion by Vice Chairman Sam Watford and a second by Commissioner Cathy Dunn the Board voted unanimously 7-0 to approve an economic development incentive grant to Project Z and that the Company be entitled to a grant each year for five (5) years to be paid by Davidson County, provided the Company meets the requirements of the Contract as to investment, jobs and wages; that the grant will begin January of the first full year after the first full year of operation following the investment; that the calculation for payment of the grant will be .0027 times the total investment in plant, machinery and equipment; and that the grant will not exceed $5,400.00 per year.

2. Denton Recycling

Chairman Max Walser declared the public hearing open regarding Denton Recycling.

County Manager Robert Hyatt addressed the Board and requested that an incentive package for Denton Recycling be approved for an expansion project and that they be entitled to a grant each year for five (5) years to be paid by Davidson County, provided the Company meets the requirements of the Contract as to investment, jobs and wages. He requested that the grant begin January of the first full year after the first full year of operation following the investment and that the calculation for payment of the grant be (a) .0027 times the total investment in real property each year for five (5) years, and (b) .0054 times the total investment in machinery and equipment for one (1) year. The grant will not exceed $700.00 per year. Mr. Hyatt reported that the Company plans to invest $200,000.00 in plant expansion and provide 2 jobs with an average hourly wage about that of the County average over the first 36 months of the project.

Barney Hill addressed the Board of Commissioners and spoke in favor of the economic incentive grant to Denton Recycling.

Chairman Max Walser declared the public hearing regarding Denton Recycling closed.

On a motion by Commissioner Don Truell and a second by Commissioner Cathy Dunn the Board voted unanimously 7-0 to approve an economic development incentive grant to Denton Recycling and that

they be entitled to a grant each year for five (5) years to be paid by Davidson County, provided the Company meets the requirements of the Contract as to investment, jobs and wages; that the grant will begin January of the first full year after the first full year of operation following the investment; that the calculation for payment of the grant will be (a) .0027 times the total investment in real property each year for five (5) years, and (b) .0054 times the total investment in machinery and equipment for one (1) year; and that the grant will not exceed $700.00 per year.

3. Project Plus

Chairman Max Walser declared the public hearing open regarding Project Plus.

Economic Development Board Chairman Tommy Hedrick addressed the Board and requested that they enter into a joint partnership with the Wallburg Town Council for an economic incentive contract for Project Plus, who has now been identified as Timco Aviation Services, Inc. He requested that Davidson County appropriate $1,500,000.00 from its General Fund and partner with the Town of Wallburg to purchase property located at 5568 Gumtree Road, Lexington, as is further identified by Davidson County Tax Department as Parcel Number 0100200000038; containing 56.36 acres, more or less. Mr. Hedrick further requested that the Board of Commissioners enter with the Town of Wallburg into a ground lease with Project Plus for twenty (20) years in the amount of $50,000.00 each year as the County's share of the rent.

Mr. Hedrick requested that the Board award an economic development incentive grant to the Company for twenty (20) years to be paid by Davidson County, provided the Company meets the requirements of the Contract as to investment, jobs and wages, with the grant beginning January of the first full year after the first full year of operation following the issuing of the Certificate of Occupancy. He requested that the grant be in the amount of $50,000.00 per year for the duration of the grant. Mr. Hedrick reported that the Company plans to invest $5,000,000.00 in plant upfit, machinery and equipment and provide 500 jobs with an average hourly wage about that of the County average within seven (7) years. He further reported that if awarded, the grant will not exceed $50,000.00.00 per year.

Barney Hill addressed the Board of Commissioners and spoke in oppositions to the awards of these economic incentives to Project Plus as it violates his principles that a company must not get back more than it pays in.

Chairman Max Walser declared the public hearing regarding Project Plus closed and requested that County Attorney Chuck Frye speak to the Board regarding the necessity of the three (3) Resolutions before it at this time.

Mr. Frye reported that the first Resolution was entitled "Preliminary Economic Development Incentive Resolution Authorizing Expenditure" and that this Resolution deals with the expenditure of funds by the County for this project as follows:

1. The County is authorized to expend up to $1,500,000.00 of County funds to purchase the former Tyco site, with $500,000.00 of said sum to be loaned to the Town of Wallburg as its contribution to the purchase price, for purposes of leasing said property to Timco Aviation Services, Inc. as part of the economic development incentive.
2. That the County and Town will lease said property to Timco Aviation Services, Inc. pursuant to the terms set out hereinabove and according to the provisions of a lease with said company.
3. The County be authorized to enter into an economic incentive agreement with Timco Aviation Services, Inc., with said business being awarded a grant of $75,000.00 each year for twenty years, with the County paying $50,000.00 and the Town of Wallburg paying $25,000.00 of the said annual grant, provided that both the purchase of the property and other incentives are contingent on Timco Aviation Services, Inc., meeting the contractual requirements as to investment, jobs and wages.
4. Further, the County's obligations in this economic development project are contingent upon the following conditions:
    a) That the owner of the Tyco tract enter into a land sale agreement acceptable to the parties;
    b) That the Town of Wallburg contribute $500,000.00 toward the purchase of the subject tract with Timco Aviation Services Inc. paying the balance of said purchase price;
    c) That Timco Aviation Services Inc., enter into an Economic Development Incentive Agreement with the County and Wallburg that is acceptable to the Board and which will guarantee in exchange for the purchase and lease of the subject tract, the creation of at least five hundred full time permanent jobs at or above the median average for the County and the company making an investment of at least $5,000,000.00 in machinery as

well as compliance with the other applicable provisions required by North Carolina General Statutes § 158-7.1; and

d) That Davidson County and Forsyth County enter into a Interlocal Agreement or other Memorandum of Understanding concerning cooperation for the joint economic development of the Timco Aviation Services Inc. site to ensure compliance with zoning and other applicable laws so as to allow the company to operate a manufacturing facility on the site or that other appropriate arrangements are made.

On a motion by Commissioner Don Truell and a second by Commissioner Fred McClure the Board voted unanimously 7-0 to approve the Preliminary Economic Development Incentive Resolution Authorizing Expenditure as set out hereinabove.

Mr. Frye reported that the second Resolution was entitled Resolution Authorizing Loan to the Town of Wallburg for Economic Development Incentive to authorize an appropriate of $500,000.00 as a loan to the Town of Wallburg to be used to purchase an identified tract of land for the location of the Timco Aviation Services, Inc. facility, contingent upon the Town entering into an agreement for the repayment of said money that is ratified by both this Board and the Town's Council.

On a motion by Vice Chairman Sam Watford and a second by Commissioner Larry Potts the Board voted unanimously 7-0 to approve the Resolution Authorizing Loan to the Town of Wallburg for Economic Development Incentive as set out hereinabove.

Mr. Frye reported that the third Resolution was entitled Preliminary Resolution Authorizing County to Enter into a Joint Agreement with Forsyth County Regarding Economic Development of the Timco Site and that this Resolution was necessary as the County needed to obtain the permission of the Forsyth County Board of Commissioners to purchase property in Forsyth County, and that this Resolution would authorize the County to enter into an Interlocal Agreement or other Memorandum of Understanding with Forsyth County regarding the joint economic development of the Timco Aviation Services, Inc., site in order to resolve zoning and other issues which may affect the project.

On a motion by Vice Chairman Sam Watford and a second by Commissioner Larry Potts the Board voted unanimously 7-0 to approve the Preliminary Resolution Authorizing County to Enter into a Joint Agreement With Forsyth County Regarding Economic Development of the Timco Site as set out hereinabove.

(Exhibit 2)

I. ITEMS FOR INFORMATION/DECISION - ***Consent***

Commissioner Larry Potts requested that Budget Amendment I-2-J be pulled from the agenda for discussion. On A motion by Commissioner Don Truell and a second by Vice Chairman Sam Watford the board voted 6-1 to approve the Consent Agenda. Commissioner Billy Joe Kepley voted "no."

***Consent***

1. Minutes

The Board approved the Minutes of the September 2, 2010 and September 14, 2010 Board of Commissioners meetings. (Exhibit 3)

2. Budget Amendments

The Board approved budget amendments for the 2010-2011 Fiscal Year for West Campus improvements and an appropriation for the purchase of the SSG Hangar at the Davidson County Airport; and to the following departments: Purchasing, Davidson Works, Tax, Department of Social Services, Finance, Davidson County Schools, and Health Department. The Board approved budget amendments for the 2009-2010 Fiscal Year to transfer funds from the Medical Examiner Line item to Youth Detention; to appropriate excess revenue receive for the Lexington Special School Tax; and to carry Scholarship Funds from the previous year forward. (Exhibit 4)

3. Request to Add Postion

The Board approved a request from Health Director Layton Long to add one (1) authorization to the Public Health Nurse II position, Grade 71, due to the Lexington City School system's need for a full-time School Resource Nurse. (Exhibit 5)

4. Declare Surplus Property – Old Upright Piano to GovDeals

The Board approved the surplus and sale of a piano that is located at Cooperative Extension at Cecil School and that it be sole on GovDeals. (Exhibit 6)

5. Declare Surplus Property – Old Scale to Carlton Scale

The Board approved the surplus and sale of the old scale to Carlton Scale for the negotiated price of $1,200.00.

Item I.2-J Assistant County Manager Zeb Hanner reported that money has been set aside in the Economic Development Fund and the funds to Davidson Vision is the appropriation of previously approved funds to them for the 2008-2009 and 2009-2010 Fiscal Years. Commissioner Larry Potts requested that these funds not be allocated at this time and this matter be tabled until the October 26, 2010, meeting of the Davidson County Board of Commissioners. Commissioner Larry Potts acknowledged that the funds for the purchase of the Swicegood property (United Furniture Project) in the amount of $68,532.00 be transferred from the Economic Development fund.

On a motion by Commissioner Larry Potts and a second by Vice Chairman Sam Watford the Board voted unanimously 7-0 to table the appropriation of $100,000.00 from the Economic Development fund ($50,000.00 from the 2008-2009 Fiscal Year and $50,000.00 from the 2009-2010 Fiscal Year) to Davidson Vision until the October 26, 2010, meeting of the Board of Commissioners and to approve the appropriation of $68,532.00 from the Economic Development fund for the purchase of the Swicegood property. (Exhibit 7)

J. ITEMS FOR INFORMATION/DECISION - ***Deliberation***

***Deliberation***

1. Proclamation of October 2010 as Barbecue Festival Month

Stephanie Saintsing, Executive Director of the Lexington Barbecue Festival, addressed the Board and requested that October 2010 be proclaimed as Barbecue Festival Month and read the Proclamation that had been prepared regarding this matter.

On a motion by Commissioner Fred McClure and a second by Commissioner Cathy Dunn the Board voted unanimously 7-0 to proclaim October 2010 as Barbecue Festival Month. (Exhibit 8)

2. E-Verify

Commissioner Fred McClure addressed the Board and reported on the importance of E-Verfiy and that he felt that this process should be used by Davidson County government for any contracts awarded in excess of $3,000.00, in that the contractor awarded the contract would register and participate in the E-Verify Program to determine the work eligibility status of employees performing services pursuant to the contract and that the same should apply to any subcontractors associated with the contract awarded. He read the Resolution that had been prepared regarding this issue. Commissioner Fred McClure stated that the program would not apply to any businesses within the County that do not contract with the County. He reported that he feels that

monies that are collected by Davidson County should be paid out to individuals that are legal United State citizens. Commissioner Billy Joe Kepley remarked that it is his understanding that Program H2A gives legal rights to illegal immigrants and is set up so that illegal immigrants can obtain employment. He suggested that the Board vote this issue down until further research can be completed on the impact of the Resolution. Commissioner Larry Potts commented that the guest worker permits issued out of Program H2A show up as certified when checked through E-Verify. Chairman Max Walser and Commissioner Don Truell both remarked that the penalty section of the Resolution was what caused them both concerns. Commissioner Larry Potts stated that both the Federal and State governments are using this process and questioned why we would want to pay County dollars to illegal immigrants. Commissioner Fred McClure reiterated that a contractor would have 15 days to come into compliance should a problem be found. Vice Chairman Sam Watford reported that his company has previously performed community development block grant projects and that there is a great deal of additional paperwork that is required by the contractor to comply with E-Verify in his experience and that he cannot support this Resolution until he finds answers to all of his questions. Commissioner Fred McClure reported that pursuant to this Resolution a contractor would only have to verify an employee at the outset of the contract, not for every payroll period. He reported that he does not feel that it is in the best interest of the County that County dollars continue to be paid to illegal immigrants, and that legalized Hispanics also do not want illegals to out working these jobs, driving the price of labor down.

A motion was made by Commissioner Fred McClure and seconded by Commissioner Larry Potts that the Board adopt the E-Verify Resolution as read by Commissioner Fred McClure. The Resolution failed to pass by a vote of two 2 votes for: Commissioner Fred McClure and Commissioner Larry Potts; and five votes against: Commissioner Cathy Dunn, Commissioner Billy Joe Kepley, Commissioner Don Truell, Vice Chairman Sam Watford and Chairman Max Walser. (Exhibit 9)

3. Application for Authorization – Qualified School Construction Bond (QSCB) Program

Assistant County Manager Zeb Hanner addressed the Board and requested authorization to complete and submit the application for authorization to issue Qualified School Construction Bonds (QSCB). Mr. Hanner reported the Davidson County Schools have been approved to apply for an additional $10,000,000.00 in QSCB bonds and have requested permission from the Board of Commissioners to submit the application. Upon inquiry by Commissioner Larry Potts as to the reasoning for the blank application, Mr. Hanner reported

that he would have the Davidson County Schools complete the application and present the completed application for the Board's approval at the October 7, 2010, Informational meeting.

On a motion by Commissioner Billy Joe Kepley and a second by Commissioner Larry Potts the Board voted unanimously 7-0 to place this matter on the October 7, 2010, meeting of the Davidson County Board of Commissioners for approval of the submission of the application for authorization to issue QSCB bonds. (Exhibit 10)

4. Appointment to Airport Authority Board

Assistant County Manager Zeb Hanner addressed the Board and requested that Bill Distler be appointed to serve an additional term on the Davidson County Airport Authority Board.

On a motion by Commissioner Fred McClure and a second by Vice Chairman Sam Watford the Board voted unanimously 7-0 to approve the appointment of Bill Distler to serve an additional term on the Davidson County Airport Authority Board. (Exhibit 11)

5. Appointments to Davidson Works Workforce Development Board Youth Council

Davidson Works Director Cindy Livengood addressed the Board and requested that that Frankie Hedrick and Barry Sink be reappointed as they have agreed to continue to serve on the Davidson Works Workforce Development Board Youth Council. Ms. Livengood further requested that Paula Harrison, Don Stewart, LeeAnn Tuttle-Thomas and Brent Wall be appointed to the Youth Council as additional appointments to ensure representation from various organizations as required by law.

On a motion by Commissioner Larry Potts and a second by Commissioner Don Truell the Board voted unanimously 7-0 to approve reappointment of Frankie Hedrick and Barry Sink to the Davidson Works Workforce Development Board Youth Council for the term expiring in 2011, and that Paula Harrison, Don Stewart, LeeAnn Tuttle-Thomas and Brent Wall be appointed to the Davidson Works Workforce Development Board Youth Council for the term expiring in 2013. (Exhibit 12)

6. Request to Schedule Second Public Hearing for Small Cities Community Development Bock Grant (CDBG) Application for Astran Drive Sewer Project

County Manager Robert Hyatt addressed the Board regarding this matter and reported that the County has received notification from the North Carolina Department of Commerce, Division of Community Assistance, to submit the full application for the Astran Drive sewer project. He reported that a requirement

for the submission of this application is that the Board of Commissioners hold a second public hearing for the specific project, with a notice to include a description of the proposed project, including the proposed project location; activities to be carried out; and the total cost of the activities. Mr. Hyatt requested that this public hearing be scheduled for the October 12, 2010, meeting of the Davidson County Board of Commissioners.

On a motion by Commissioner Don Truell and a second by Commissioner Larry Potts the Board voted 7-0 to approve the scheduling of a second public hearing for the Astran Drive sewer project for the October 12, 2010, meeting of the Davidson County Board of Commissioners. (Exhibit 13)

7. I-85 Yadkin River Project

County Manager Robert Hyatt addressed the Board and reported that he had received an email from the desk of Gene Conti on today's date which requested that participants in the I-85 Yadkin Bridge Project adopt a letter of concurrence to proposed changes in the project. Alcoa has to obtain a permit to allow construction of the project through FERC. NC DOT has made changes to the build project; therefore, FERC has required that the permit process by Alcoa be recompleted. FERC wants concurrence that the County is satisfied with the changes made to the bridge project. Mr. Hyatt reported that the County needs to send the letter of concurrence to FERC by September 30, 2010, to avoid a possible delay in the bridge construction.

On a motion by Chairman Max Walser and a second by Commissioner Don Truell the board voted unanimously 7-0 to issue a letter of concurrence to FERC regarding the changes made to the I-85 Yadkin River Bridge Project.

K. ADJOURNMENT

On a motion by Commissioner Larry Potts and a second by Vice Chairman Sam Watford the Board voted unanimously 7-0 to adjourn.

W. Max Walser

W. Max Walser, Chairman
Davidson County Board of Commissioners

Deborah Harris

Deborah J. Harris, Deputy Clerk to the Board
Davidson County Board of Commissioners